

Charges against Dekel seen likely

By BERNARD JOSEPHS
Jerusalem Post Reporter

A government attorney was last night considering whether to press charges against Deputy Defence Minister Michael Dekel over his alleged involvement in a West Bank land scandal. The exact nature of the allegations was not clear.

Police confirmed yesterday that a report by the Serious Crime Squad about the Likud minister's suspected activities had been handed to a state prosecutor for a final decision. But he said: "Other than that we are not prepared to comment."

The Dekel case is political dynamite, especially in the face of claims by Likud MKs that the police are biased against the right. And police sources said they were concerned that a new blast of criticism could hit them, despite firm denials of any political bias.

The Dekel file was handed over to the Central District public prosecutor this week following the conviction of land dealer Shmuel Einav for being a go-between in the bribing of one of Dekel's aides.

It was stated that the aide, Avi Tsur, was given over 2.5 million

shekels for Likud election funds by land dealer Yitzhak Yanai just before the last elections. Einav guaranteed the cheques.

Bringing in his verdict - in which Einav was cleared of direct bribery charges - Judge Elisha Matza told Tel Aviv District Court that Dekel, who was then agriculture minister, had failed to keep a "proper distance" between official duties and political campaigning.

"During the period up to the elections we have in the office of minister Dekel open and explicit attempts at fund-raising...directed at West Bank land dealers," he said.

Dekel was one of many people questioned by a 13-man Serious Crime Squad team which has been probing the land scandal for almost two years. At least 66 separate criminal cases have been passed to civil and military prosecutors.

Some of the cases involve the fraudulent purchase of land and the forging of government permits.

Meanwhile, last night Police Inspector-General David Kraus, addressing a presentation ceremony in Jerusalem, hit out at allegations (Continued on Back Page)



Yuli Edelshtein heads towards the Western Wall yesterday on the shoulders of well-wishers. (G. Feinblatt/Media)

Yuli Edelshtein here

By JONATHAN KARP
For The Jerusalem Post

Former Prisoner of Zion Yuli Edelshtein arrived yesterday evening at Ben Gurion Airport with his family and amid the songs and tearful greetings of former refuseniks, friends and supporters, he said he felt at home.

Edelshtein, who is 29, his wife Tatyana and her daughter, Yulia, were mobbed as they entered the airport terminal after arriving on an Austrian Airlines flight from Vienna. A Hebrew teacher who served two-and-a-half years in prison after he was convicted on trumped-up charges of drug possession, Edelshtein said his arrival left him with mixed feelings.

"With all the happiness on having arrived with my family, with all the excitement of meeting friends, some of whom I have not seen for 15 years," he said in nearly-flawless Hebrew, "nevertheless, I have a certain feeling of sadness having left in the Soviet Union people who may deserve more than I to be here."

Edelshtein, who cried a few times as he addressed the crowd, specifically mentioned Yosef Begun, who had received word that Kibbutz Ma'agan Michael was holding a ceremony to celebrate his 55th birthday last night.

Andy Court adds: Hundreds of well-wishers greeted Edelshtein as he arrived at the Western Wall plaza at about 9:30 last night. Wearing a black skullcap and a white shirt, he was carried on his friends' shoulders, as the crowd sang "The sons shall return to their borders."

When he arrived at the Wall, the crowd fell silent, while he recited a prayer. He was then lifted up to insert a note in a crevice in the Wall.

"It was worth it all," Edelshtein told the crowd that included cabinet ministers Zevulun Hammer and Yosef Shapira. "The imprisonment, the suffering."

Later, he told supporters with emotion: "At no point did I ever feel alone. Even though I was not always in contact with my family, I always felt that there were people who cared."

Nissim makes call for renewed wage talks as 450,000 come out on 24-hour strike

Histadrut split on returning to work

By JEFF BLACK
and ASHER WALLFISH

Despite claims of success, yesterday's 24-hour strike in the public sector failed to hide divisions within the Histadrut Trade Union Department. Trade union leaders reported that about 450,000 workers obeyed the strike call, closing down government offices and agencies, local authorities, national institutions and the radio, television and postal services among others.

Ami and Moshe Bet-Dagan, issued a statement last night saying that they had only agreed following a Haberfeld promise that their unions' demands will form the basis of the next round of talks.

However, government hospital workers and other Civil Service Union members in the court system, the Income Tax Department and the Postal Service are still not satisfied. These workers are due to meet this morning to decide whether to continue striking.

campaign much fiercer than yesterday's warning strike.

Commenting on the strike, Deputy Prime Minister Peres said that two years ago the country worked its way out of the severe economic crisis and very high inflation thanks to a dialogue between the government which he headed and the employers. Speaking to a meeting of Labour Party activists in the Histadrut's Mitchell Auditorium in Jerusalem last night, Peres said that the government, the Histadrut and the employers should agree on a "programme of national growth." He said he doubted whether the present government could do so.

Nissim told the weekly cabinet meeting yesterday that the Treasury was ready to talk about improving the lot of pensioners, who have suffered greatly from erosion of their pensions; about increases for civil servants in the lower-wage brackets; and about steps to maintain the real value of all wages.

At the same time, Nissim said he could not accept the Histadrut's arguments about the alleged erosion in the real value of wages in the civil service.

Across-the-board increases for all civil servants were out of the question, Nissim said.

Related story Page 4

Ben-Ami said last night that he thought these workers would agree to return to work. He pointed out that his union's campaign headquarters yesterday authorized him to decide on the union's next steps.

Haberfeld yesterday acknowledged that there was growing pressure from some unions to continue strike action, but he said that most of the unions feel that serious negotiations must be given a chance.

Until now, said Haberfeld, Nissim has offered the unions absolutely nothing. If there is no change in the Treasury's position, Haberfeld warned, the Histadrut will launch a

'Secrets to Soviets via Israel tanks'

By DAVID MAKOVSKY
WASHINGTON.

As a result of Syria's capture of a couple of Israeli M-60 tanks in the Lebanon War in 1982, the Soviet Union has created new tanks complete with reactive armour that are virtually invulnerable to the anti-tank weapons carried by U.S. aircraft and infantry, *The New York Times* reported yesterday.

The M-60s were protected by Israeli-made add-on reactive armour called "Blazer." When the Israeli tanks fell into Syrian hands, the Blazer know-how was transferred to the Soviets and now their T-72 and

T-80 main battle tanks are protected by it, the report claimed. This makes the U.S. arsenal of TOW anti-tank missiles (also used by the Israel Defence Forces) obsolete. Only high-velocity rounds fired by the smooth-bore guns of the latest U.S. and West European tanks can pierce the new Soviet armour. This capacity is beyond the scope of Nato infantry and aircraft, the account said.

The report cited critics of the Reagan administration who question why the U.S. continues to buy TOW missiles, and why the Pentagon has not used reactive armour to protect U.S. tanks.

Waldheim sees no cause to resign

VIENNA (Reuters). - Austrian President Kurt Waldheim, shunned by many Western countries because of doubts over his wartime record, said yesterday he had made mistakes when speaking of the past but had no cause to resign.

"Everybody makes mistakes here and there," Waldheim said in an interview in yesterday's *Kurier* tabloid.

Asked what would have to happen to force him to resign, he replied: "There are no grounds for this."



Ariel Sharon whispers something confidential to Yitzhak Shamir at yesterday Herut meeting. (Feinblatt/Media)

Herut meeting

Shamir blocks Sharon

By MENACHEM SHALEV
Post Political Reporter

Prime Minister Shamir last night successfully blocked Trade and Industry Minister Ariel Sharon's attempt to appoint himself as Herut's political "czar," providing last-minute drama to the party's central committee meeting in Jerusalem.

The last item on the agenda was the appointment of 20 party-policy committees, each to be headed by a Herut MK. Sharon, chairman of the central committee, offered himself as candidate to head the party's "political committee."

Shamir, sitting on the podium, said: "There is no such thing as a political committee. That is the task of the executive" (which is headed by Shamir himself).

Sharon: "I understand that there is no political committee because I am heading it."

Shamir: "Strike out the political committee and we will vote on the rest. Menachem Begin never agreed to a political committee, calling it a *politburo*. A political committee will lead to daily run-ins with the executive."

Sharon retorted sarcastically: "These things are not new to me. I saw the reaction when I was appointed to the nationally crucial role of head of the party's mandate committee."

Disregarding Shamir's request, Sharon put the appointment of all 20 committees to an open vote as a block, despite howls of protest from the 2,000 delegates. After what appeared to be a majority raised its hands against him, Sharon said that he would raise the matter again at the next central committee meeting, scheduled for August in Samaria.

Sharon later told reporters that Shamir's objections to the appointment of a political committee were "entirely personal." "I'm not going to give in," he said.

The appointment of a party executive, which was to have been the central committee's main task yesterday, was also put off because of disagreement between Shamir and the local party branches spurred on by Deputy Prime Minister David Levy. Although all agreed to expand the executive from 120 to 250 members, Shamir refused to relinquish his right, anchored in the Herut constitution, personally to appoint the members of the executive, which (Continued on Page 2, Col. 5)

PM looses fierce blast at idea of int'l parley

By MENACHEM SHALEV
Post Political Reporter

Prime Minister Shamir last night launched one of his fiercest attacks so far on the Labour Party's proposals for an international conference, saying it was "an idea of suicide and surrender" which had undermined Arab acceptance of Israel and killed chances for peace.

"Israel will not sacrifice itself at the altar," the prime minister told delegates of the Herut Central Committee in Jerusalem. "No Arab leader ever dreamed that Israel itself would offer its neck for its destruction as a state."

"Those who have an overpowering urge to curry favour and to elicit compliments, even from hostile elements, have raised the flag of surrender," said Shamir. "What is happening lately is beyond imagination: a political camp among us gets up and tells both our friends and enemies that 'we are sick and tired of Judea and Samaria and wish to return to our limited area,' which we have almost forgotten."

The Herut delegates applauded Shamir's statement that "as long as the Likud is in the government there will be no international conference," but were even more enthusiastic about calls to dismiss Foreign Minister Shimon Peres from the cabinet, voiced by Deputy Prime Minister David Levy and Trade and Industry Minister Ariel Sharon.

Sharon said that Peres's promotion of the idea of an international conference had brought about many negative developments in the Mid-

Peres: May resume Russian dialogue

Sources say Soviet M-E stand hardens

By BENNY MORRIS
Post Diplomatic Correspondent

The Soviet Union intends to resume its direct dialogue with Israel within a few weeks. Foreign Minister Peres said at yesterday's weekly cabinet meeting. He based himself on American reports about last week's U.S.-Soviet talks in Geneva.

But senior political sources in Jerusalem said last night that a "clear hardening" of the Soviet position on the Middle East and the peace process surfaced at the Geneva meetings between U.S. Assistant Secretary of State Richard Murphy and his Soviet counterpart, Vladimir Polyakov.

U.S. ambassador to Israel Thomas Pickering and special ambassador Wat Cluervius, who attended the talks at Murphy's side, briefed Peres and Prime Minister Shamir at length yesterday about the Soviet attitude.

According to the sources, the Soviets are now demanding that Israel undertake, before an international conference for the Middle East is convened, to withdraw to the 1967 borders. Polyakov also said that the Soviets believe that both UN Security Council Resolution 242 and the right of the Palestinians to self-determination should be the bases of the negotiations at the conference.

The sources said that the Soviets insist that the PLO participate in the conference as a full fledged partner. They dismiss Peres's view of the conference as a mere opening or "shoehorn" for substantive bilateral negotiations. They believe that major issues of substance regarding a settlement should also be discussed in the conference plenum.

The sources said that the Soviets insist that the "Palestinian problem" - which is "a wide-enough subject to comprehend many issues, such as borders, the fate of the territories, Lebanon" - be debated by the conference plenum rather than by a bilateral Israeli-Jordanian (or Israeli-Jordanian-Palestinian) committee. The sources said that this indicates that Moscow is now adjusting its positions to those of the PLO.

But sources in the Foreign Ministry insisted that the Soviets showed a "certain softening [of their positions], a willingness to listen" and "a measure of receptivity" in the Polyakov-Murphy talks, and that definitive Soviet answers on the major outstanding issues will probably be given at the forthcoming meeting between U.S. Secretary of State George Shultz and his Soviet counterpart, Edvard Shevardnadze. It is unclear whether the two men will meet, as originally planned, on July 15.

(Continued on Back Page)

Two get life terms for Gaza stabbing-murders

By BRADLEY BURSTON
and agencies

GAZA. - The Gaza Strip commander of the Islamic Jihad terrorist organization and a member of his cell, who were convicted last week of the 1986 stabbing murders of three Israelis and the attempted murder of a fourth, were sentenced to life imprisonment by a military court here yesterday.

Before passing sentence on Islamic Jihad leader Abdul Rahman Alkik, 24, and Khalid Ja'idi, 22, both of Rafiah, the court said that the severity of the crime warranted invoking the death penalty, but norms of Israeli society compelled agreement with a prosecution request for life imprisonment.

The atmosphere in the courtroom yesterday was particularly tense, amid rumours that members of the victims' families would attempt to take revenge on the defendants.

When the sentence was announced a woman relative of a victim, Haim Azran of Ashkelon,

fainted. Other relatives burst out shouting and were restrained by military policemen.

A third defendant in the terrorist killings, Hashem Sistani, 23, of Gaza, escaped with five other Islamic Jihad members from the central prison here in mid-May and is still at large.

Presiding Judge Sgan-Ahuf Moshe Shefi wrote in his decision that the Islamic Jihad cell in the Gaza Strip is a "group of 50 men whose stated goal is to change the world by killing Jews."

Before sentencing, Ja'idi told the court: "We members of the Islamic Jihad consider death more important than life. Either we will liberate our land or we will die in the attempt. We have not forgotten the massacres committed against us every day."

"I will gladly accept the court's sentence, for I have no remorse over what we have done."

The *Jerusalem Post* has learned that security forces in the Gaza Strip are investigating a possible tie between the Islamic Jihad cell and three

terrorist acts committed during the trial, most recently the stabbing of an Israeli Arab in Gaza's Palestine Square on Saturday.

In Jerusalem, it is reported that military authorities yesterday charged two West Bank Arabs with plotting to kill *Al Fajr* editor Hanna Siniara.

Mahmoud Ahmed Yousef and Sadek Ahmed Saleh, both of Kalkiya, were arrested as a result of investigations after a man was killed when a bomb he was preparing exploded, security sources said.

The suspects were said to have followed Siniara during February as part of a plan to kill him. They were charged with conspiracy to murder and illegally possessing a pistol and explosives.

Siniara has frequently been criticized by Palestinian nationalists for what they see as his moderate stance toward Israel.

He aroused fierce controversy last month when he declared his intention to run for the Jerusalem city council.

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WASHINGTON	11	85	20	Cloudy
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*For the latest weather conditions contact Swissair.

THE WEATHER

Due to yesterday's public sector strike, there is no forecast for today.

SOCIAL & PERSONAL

President Chaim Herzog yesterday expressed his good wishes to Israeli Moslems on the occasion of the beginning of the pilgrimage to Mecca.

ARRIVALS

A leadership mission of the American Jewish Congress, including Theodore Mann, president, Henry Siegman, executive director, Howard Squidron, honorary president, and Phil Berman, associate executive director, for a series of meetings and consultations with Israeli leaders.

Colombia's defence minister arrives

Jerusalem Post Staff
TEL AVIV. - Colombia's defence minister, Gen. Rafael Samudio-Molina arrived in Israel last night for a four-day official visit as guest of his Israeli counterpart, Yitzhak Rabin.

Samudio-Molina, who is accompanied by the commander of the Colombian Air Force, Gen. Gilberto Franco, is due to visit IDF units and defence industries.

According to foreign reports, Colombia has been buying military equipment from Israel for years, but a well-placed source told *The Jerusalem Post* he did not expect the minister to conclude any new agreements during his stay.

Marshall Islands' Foreign Minister Charles Dominick also arrived in Israel last night, for a five-day visit.

Journalists threaten legal action against film seizure

The Foreign Press Association yesterday said it would take legal action to retrieve 12 rolls of film confiscated by police from photographer Andre Brummann.

Brummann, a German citizen who is an Israeli temporary resident, photographed the Budapest meeting last month between left-wing Israelis and PLO representatives. Such meetings have been banned by law.

Brummann was interrogated by police for three-and-a-half hours before his film was seized last Thursday.

The journalists claim that the police action violated freedom of the press. (Itim)

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HOME AND FOREIGN NEWS

O'Connor: Still Demjanjuk's lawyer

By ERNIE MEYER and agencies

Mark O'Connor, main defence lawyer for John Demjanjuk, said in Jerusalem yesterday that he still considers himself Demjanjuk's defender despite his reported dismissal.

Demjanjuk sent a letter to O'Connor at the end of last week dismissing him on grounds of "incompetence." The dismissal was reported yesterday in the local media.

"I still consider myself as Demjanjuk's lawyer," O'Connor told a press conference in Jerusalem yesterday. "I feel personally responsible for the life of this man" (accused of being a gas chamber operator in Treblinka).

Under Israeli law, a defendant cannot dismiss his defence lawyer during a trial without consent of the court.

The court will hold a special session on Wednesday to rule on the matter, O'Connor said.

"Demjanjuk didn't know what he signed," O'Connor said. "Only the court can decide if he acted with his conscience when he decided to dismiss me."

Does Demjanjuk know the implications of his act? O'Connor asked. "When I talked to him on Wednesday he was a man who was totally crestfallen, a man who was confused," he added.

Tension and disagreement among the defence lawyers have been evident since Demjanjuk's trial opened in Jerusalem on February 16.

In a letter to the court made public yesterday, O'Connor sharply criticized Yoram Sheftel, an Israeli lawyer on the defence team and disclosed that he (O'Connor) had urged Demjanjuk's family to dismiss him.

Sheftel told reporters yesterday that Demjanjuk's family had fired O'Connor following differences between the two lawyers. He said John Gill would now head the defence.

Sheftel said he personally handed O'Connor a dismissal letter and submitted a second letter from Demjanjuk to the court saying the American lawyer had been fired.

Court officials confirmed they received a letter from Sheftel on the issue on Friday, but declined to give details of its contents.

O'Connor and Sheftel have been increasingly at odds on how to conduct the defence, at times arguing with each other in court. Gill has largely stayed out of the wrangle in public.

According to reports, the announced appointment to the defence team of John Broadley of Washington depends on the approval of his law partners. It is also said that in addition to Broadley the Demjanjuk family and its friends are still looking for a "big-league" lawyer to take over the case.



Mark O'Connor at his press conference in Jerusalem yesterday. (Y. Zaken/Media)

Bar-Lev: Police didn't hear Druse call to kill Jews

By ASHER WALLFISH Post Knesset Correspondent

Police Minister Haim Bar Lev told the cabinet yesterday that none of the police or Border Police involved in the fracas with the Druse villagers at Beit Jann last week heard any of the Druse shout "Slaughter the Jews" (*Idbak el-Yahud*).

Allegations that the Druse made this call when they attacked the police came solely from officials of the Nature Reserves Authority, who were also attacked, Bar Lev said at the weekly cabinet meeting.

The police have *prima facie* evidence against some of the attackers and would prosecute them, the minister said.

Agriculture Minister Aryeh Nehamkin said that the Beit Jann

villagers are now willing to accept proposals which they rejected previously. He said he has not agreed to exclude plots of land from the Meron Nature Reserve.

Nehamkin also blamed officials from the bureau of Minister-without-Portfolio Moshe Arens, who handles the non-Jewish sector, of "continually stirring up expectations among Arabs and Druse which the government cannot possibly satisfy." He charged that Arens' officials are responsible for a new wave of land claims from Negev Beduin.

Nehamkin, who said he opposed any amendment to the law to alter the status of Nature Reserves because this would create a dangerous precedent, declared: "We are a lot

more patient with complaints by non-Jews than by Jewish Israelis about land claims involving Nature Reserves."

Foreign Minister Shimon Peres said he was working on a memorandum for a draft law to solve the land problem of Beit Jann villagers and would submit it to the cabinet for perusal soon.

Prime Minister Yitzhak Shamir said that Peres had notified him in advance when he went to meet Druse leaders last week. Peres had confirmed that the meeting had no official status, despite the presence of cabinet ministers there.

The entire matter came up in the cabinet in response to a question by Industry and Commerce Minister Ariel Sharon, who complained that

the police were lamentably slack in enforcing the law. He said the Beit Jann riot was a repeat of the attack on surveyors, land dealers and the police last month by the Arab villagers of the Ramat Kidron area, near Bethlehem. (Israeli guards shot dead one villager at Ramat Kidron.)

Sharon wanted to know why police did not shoot to quell the Beit Jann riot. He said it was high time some ministers (referring presumably to Peres) realised it was better to lose votes than to lose Eretz Yisrael.

Science and Technology Minister Gideon Patt accused Peres of staging the meeting with the Druse leaders for political and not substantive reasons.

15,000 pay last respects to Avi Ran

HAIFA (Itim). - Some 15,000 people crowded into the municipal stadium here yesterday to pay a last tribute to Maccabi Haifa's star goalkeeper, Avi Ran, who was killed on Saturday in a boat mishap on Lake Kinneret.

Ran was eulogized by Haifa Mayor Aryeh Gurel, Knesset Member Shevah Weiss, team and league officials and teammates. His coffin, draped in the Israeli and team flags, was placed in the playing field.

His father, Moshe, a former goalkeeper for Maccabi Haifa, his mother, brother and sister were among those at the special services.

In Tiberias, the driver of the high-powered speed boat, which killed Ran was still in police custody yesterday. He is to appear in the magistrates' court today, when police will ask for an extension of his remand.

Ran was struck by the boat while he was navigating the Kinneret on a motorized water cycle.

The 29-year-old driver of the boat tearfully told investigators that he had not intended to harm the soccer star.

The police are seeking eyewitnesses of the accident. The magistrates' court here yesterday com-

plied with a police request for an autopsy on Ran, against the wishes of the family.

President Herzog sent a message of condolence to the family and the management of Maccabi Haifa. "I join in the sorrow of the tragic death of Avi Ran. With his death we lost a wonderful person and young athlete."

Tiberias mayor Yigael Bibi and Jordan Valley council head Zev Shur yesterday asked Transport Minister Haim Corfu to establish a port authority for the Kinneret to monitor traffic and prevent similar accidents from recurring.

Shi'ite barrage hits SLA patrol, 4 hurt

By DAVID RUDGE Jerusalem Post Reporter

ROSH HANIKRA. - A South Lebanese Army soldier suffered medium wounds and three others were slightly hurt in a mortar attack along the northern border of the security zone in South Lebanon yesterday morning, SLA sources reported.

The troops were on patrol north-west of Aishiyeh township, in the central sector of the zone, when several mortar rounds fell nearby. The SLA soldiers returned fire towards the source of the attack and later searched the area extensively.

The wounded soldier was taken to an Israeli hospital. The other three were treated for cuts and grazes caused by flying shrapnel.

It was the second clash between SLA troops and Shi'ite extremists in the central sector of the zone in the last few days. Early on Saturday morning, south of Tibeh village, an SLA patrol surprised gunmen in the act of planting a roadside bomb alongside a route frequently used by SLA and IDF troops.

The soldiers opened fire on the gunmen, who fled, leaving behind the bomb and other weapons, including Kalashnikov rifles. The SLA troops suffered no casualties in the exchange of fire.

SHAMIR

(Continued from Page One)

is Herut's principal governing body. The heads of Herut branches had demanded that a specific number of seats on the Executive be allotted to them and that they be allowed to choose their delegates.

Shamir's calls for party unity were echoed by Levy, who nonetheless blasted the absence of "cooperation and dialogue" in the context concerning formation of an executive.

"We must not create a facade or play games," he said, adding that "not even the fear of Labour can turn us into pawns and robots."

The original list of candidates for the executive drawn up by MK Michael Dekel at Shamir's request had "enraged everyone," said Levy. "Why am I always the Don Quixote?" he asked. "Why do party members always feel slighted, swept aside?"

The factions in Herut, which continue to be at loggerheads despite the relatively tranquil convention in April, did agree on the makeup of Herut's internal tribunal, which is to be headed by Jerusalem attorney and former envoy to South Africa, Eliahu Lankin. They also agreed on the appointment of the party's control committee and a six-member team to approve candidates for the Central Committee. The team has two representatives from each faction.

Sharon scored many points with Herut's women members who have recently organized to claim their piece of the pie. Pointing out that women make up 53 per cent of Herut's electorate, Sharon pledged to champion their demands for increased representation in the party institutions. He said that three women would be appointed to the internal tribunal and two to the control committee.

Shas aims to renew 'Who's a Jew' battle next Wednesday

By ASHER WALLFISH Post Knesset Correspondent

The ultra-Orthodox Shas faction yesterday asked Knesset Speaker Shlomo Hillel to put its private members' bill - in effect a way of getting the "Who's a Jew" law by the back door - on the plenum agenda for Wednesday of next week.

The Shas proposal is an amendment to the Rabbinical Courts Adjudication Law and would give these courts power to approve all conversions, marriages and divorces carried out abroad.

This would effectively deny those converted to Judaism by Reform and Conservative rabbis the status "Jew" in rabbinical courts and in the Population Registry.

On July 20, two days before the projected debate, eight MKs, mostly from the Alignment, but all against the attempt to block Reform and Conservative conversions, are due to go to Moscow in response to an official invitation. All eight are now expected to cancel their trip.

Prime Minister Yitzhak Shamir has promised Shas leaders that he will put pressure on MKs who last week voted against the Shas measure

or stayed away from the session deliberately to support it this time.

These include Likud MKs Eliahu Ben Elissar and Sara Doron; Minister without Portfolio Yigal Hurvitz, who has an agreement to join the Likud on very generous terms; and Shmuel MK Zaidan Atche, who hopes to get into the next Likud election list and will have to prove that he merits the Likud's bounty.

By July 22, Kach MK Meir Kahane will have served his punishment of being barred from five plenum sessions, and so will be able to vote with Shas.

Last week Alignment MK Menahem Hachonen voted against Shas, but may change his mind by July 22.

The Shas deputy minister Rafael Pinhas and Shas faction spokesman Zvi Yakobson were yesterday given a commitment by Knesset Clerk Shmuel Yakobson that Speaker Hillel would not try to impose a six months-freeze on the Shas measure by arguing that it was identical or similar to the private members' bills on conversions defeated last week. The Shas measure fell by four votes last week.

Patt to appeal rezoning of capital's power grid

By ASHER WALLFISH Post Knesset Correspondent

The inner cabinet's decision to redelineate the bailiwicks of the Arab-owned Jerusalem Electric Corporation and the Israel Electric Corporation could well be overruled.

Prime Minister Shamir yesterday accepted a demand by Science and Technology Minister Gideon Patt to be allowed to appeal to the full cabinet against the inner cabinet decision.

The inner cabinet decided at the end of last month that the Jerusalem Electric Corporation should supply electricity only to Arab quarters of Jerusalem and the city environs. Those Jewish neighbourhoods which previously received their electricity from the Arab company would in future be supplied by the IEC.

The IEC has piled up a huge debt and has tried in vain to get the Jordanian government to cover it. It has also piled up endless complaints from Jewish consumers about technical and administrative faults.

Patt told *The Jerusalem Post* that having one power grid for Arabs and another for Jews in Jerusalem was like redrawing the united city. This was just what Mayor Teddy Kollek was battling against, he said.

The minister said: "Top IEC ex-

perts, whom Energy Minister Moshe Shalun never bothered to consult before bringing his proposal to the inner cabinet, say the decision will entail immense technical problems. This is because the two grids will be leapfrogging over each other and over quarters which they will not be serving. It will cost an arm and a leg, and the consumer will have to shoulder the cost."

"Two-thirds of the Arab company's staff are freeloaders who are getting salaries so they can pursue hostile anti-Israeli activity at the expense of the consumers. Concealed unemployment in the IEC has a clear political motive. It is also the main reason why the IEC cannot pay its way and why Jordan refuses to pay its debts."

The science and technology minister said that when the IEC's concession comes to an end this year it should not be renewed, and the IEC should take the whole corporation over lock and barrel and fire the employees.

Patt said he knew he would get support from Alignment as well as Likud ministers when his appeal went to the cabinet.

In the meantime, Patt said, Shamir has ordered all action frozen on the changes approved by the inner cabinet.

Irangate - 'Netanyahu influenced Reagan'

By DAVID MAKOVSKY For The Jerusalem Post

WASHINGTON. - The congressional panel investigating the Iran-Contra affair released a document on Friday which states that President Reagan was influenced to continue funding for the Nicaraguan Contras by a book on terrorism edited by Israeli Ambassador to the UN Binyamin Netanyahu.

The Netanyahu book contains an essay written by a scholar who details Abraham Lincoln's circumvention of Congress throughout the American Civil War and the constitutional powers of the president to administer foreign policy.

The book stirred Reagan to in-

struct aides not to yield on the funding of the Contra rebels.

The document released by the panel is based on a memo circulated in May, 1986, on the White House computer by former National Security Council Advisor John Poindexter to some members of the NSC staff, including Lt.-Col. Oliver North. It said that Reagan read Netanyahu's book and was "taken with the examples of presidential actions in the past without congressional approval."

Poindexter concluded the memo by saying that Reagan "is ready to confront the Congress on the constitutional question of who controls foreign policy."

Police slay sheep rustler at Hurvitz farm

Kfar Warburg (Itim). - A

sheep rustler was fatally shot during a clash early yesterday morning between a gang of thieves and the police on the farm here of Yair Hurvitz, a son of Minister without Portfolio Yigael Hurvitz.

Yair Hurvitz and a policeman were slightly wounded. One person was arrested and two escaped.

Close to 2 a.m., Hurvitz heard suspicious sounds coming from the sheepfold, he told the police. He went out to investigate and was

attacked by four men. He received a light stab wound during the struggle.

His family called the Kiryat Malachi police. One policeman received a slight stab wound and others were beaten during their attempt to arrest the thieves.

One of the policemen fired at the thieves, and at least one was hit. He died shortly afterwards of his wounds.

Police said the gang came from across the Green Line. The dead man was an escaped prisoner, they said.

In deep sorrow we announce the passing of my husband, our father and grandfather

NAFTALI UNGER

The funeral will be held at Kibbutz Netzer Sereni today, Monday, July 13, 1987 at 5 p.m.

The Bereaved Family

The Staff of the British Olm Society
mourn with their colleague
ALFRED SHEINWALD,
the sad passing of his wife

GLADYS (Glickel) SHEINWALD

and send sincere condolences to the family

مكتبة القرآن

'A tragic but inevitable episode,' says historian

Murder of tsar and family described in Moscow paper

MOSCOW (Reuters). — A Moscow newspaper, giving rare details about a sensitive episode in the Soviet past, yesterday described the 1918 murder of imperial Russia's last tsar, Nicholas II, and his family as a tragic but inevitable event.

Sovetskaya Rossiya, official organ of the government of the Russian Federation, the largest Soviet republic, said it was publishing the materials in response to readers who had written asking for information about the end of the Romanov dynasty.

The article was another example of the drive for openness launched under Kremlin leader Mikhail Gorbachev. Official Soviet historians usually condemn Nicholas II as a hidebound reactionary and rarely give details of his family's execution. "Yes, the end of the Romanovs was tragic," historian Genrikh Ioffe wrote in *Sovetskaya Rossiya*. "But it was not the result of malice or the revenge of the revolution, as anti-Soviet people and anti-Communists try to portray it."

Nicholas II abdicated in March 1917, almost seven months before the Bolsheviks under Vladimir Lenin seized power. The tsar and his family were moved from St. Petersburg (now Leningrad) to Tobolsk in Siberia and then transferred to Ekaterinburg in the Urals.

Nicholas II, his wife Alexandra, their four daughters and son Alexei were shot by the Cheka political police along with four personal attendants on the night of July 16-17, 1918, in Ekaterinburg. Their bodies were destroyed by fire and acid.

Ioffe explained that the Bolsheviks had originally planned to put the Romanovs on public trial, but the

advance in the Urals of anti-Communist White Russian and Czechoslovak forces in the summer of 1918 had forced matters to a head.

Distancing the Bolshevik leadership from the decision to execute the Romanovs, Ioffe said the local organ of Soviet power in the Urals — the "Uralsovet" — had contained many non-Bolshevik elements. These included left socialist revolutionaries, anarchists and other ex-

Lenin of personal blame for the murder of the tsar's family. While accepting the death of Nicholas II, some Soviet people still think his family was callously shot in cold blood.

One reader's letter published in *Sovetskaya Rossiya* made this point plain, asking: "Why was it necessary to take such a severe measure as executing Nikolai Romanov and his family? What provoked this step?"

'Revolution not for export'

MOSCOW (Reuters). — A Soviet official linked to Kremlin leader Mikhail Gorbachev yesterday said the export of world revolution had become outdated as a foreign policy concept.

Yevgeny Primakov, writing in the Communist Party newspaper *Pravda*, said current Soviet policy demands an end to excessive military spending if the country was to bridge a wide economic gap with the other superpower, the U.S.

He said this could be achieved through the new East bloc military doctrine of "defensive sufficiency" in which East and West would seek parity at lower levels, and he contended increased trust in the Soviet Union could make this policy a reality.

Primakov, director of the Moscow-based Institute of the World Economy and International Relations, in an article titled, "The new foreign policy philosophy," said the Soviet Union now sought to ensure its security by political means.

tremists who were associated with the Bolsheviks in the early period of Soviet power but were soon suppressed as Lenin consolidated his rule.

Ioffe said the Uralsovet had sent a telegram to Lenin on July 17, 1918, which announced the execution of Nicholas II but stated that the tsar's family had been evacuated to a safe place. "This last aspect was not true," Ioffe observed.

Ioffe's account underlined the errors of Soviet historians to clear

Ioffe said Yakov Sverdlov, a senior colleague of Lenin, had faulted the Uralsovet for killing the Romanovs without a trial. But he did not recall that the trial prosecutor was to have been Leon Trotsky, now little mentioned in official history.

Ioffe made clear he did not want his readers to look at the last Romanovs in a sentimental light. "The Romanovs were, if not a banner, then a symbol of the old world and they died along with it," he declared.

No grounds to impeach Reagan yet' — Inouye

WASHINGTON. — The chairman of the Senate panel investigating the Iran arms scandal said yesterday he saw no grounds so far for impeaching President Reagan.

"I don't think it would end up with the impeachment of the president," Senator Daniel Inouye said on a television programme.

Inouye made the comment when asked if he thought the investigation could lead to the impeachment of Reagan, who has been faced with the worst crisis of his presidency as a result of the secret arms sales to Iran and diversion of funds to Nicaraguan Contra rebels.

But he added that he believed Reagan knew more about the Iran arms operation than he has admitted publicly.

"On one of your earlier programmes, I suggested to the chairman of many that the president wasn't absolutely honest when he said 'I didn't know,' because I felt after reading the documents that he knew much more than he says he knows," the senator said.

Meanwhile, an internal memo, released on Friday evening by the congressional Iran-Contra Committee, reveals that Reagan was so adamant on helping the Contras in Nicaragua despite congressional opposition that he held a top aide he wanted to "take action unilaterally to provide assistance."

The memorandum written by then-National Security Adviser John Poindexter refers to a May 1, 1986, meeting with Reagan in which the president discussed the upcoming congressional vote on Contra aid.

Congress was then in the second year of a ban on US military assistance to the rebels and was considering the administration's request to resume the aid.

The memo also said Reagan was reading a book on terrorism and "was taken with the examples of presidential actions in the past without congressional approval."

The memo, written on the White House computer-message system was sent to a handful of National Security Council staff, including Lt. Col. Oliver North, and reveals Reagan's frustration over congressional opposition to his Central American policy. (Reuters, AP)



Jazz master Miles Davis looks at "Throne," a sculpture made of brass instruments given to him in Nice by French sculptor Max Cartier (left). (AFP telephoto)

Syrian issue tops EC ministers agenda today

COPENHAGEN (Reuters). — Relations with Syria will top the agenda when European Community (EC) foreign ministers meet in Copenhagen today for a day of talks on foreign policy cooperation, community officials said yesterday.

The EC banned high-level diplomatic contacts as part of sanctions imposed on Syria in 1986 for its alleged role in an abortive plot to blow up an Israeli airliner in London. But several West European governments feel the ban is hindering attempts to break the deadlock in Middle East peace efforts.

Syria is seen as a key factor in the peace equation and as a possible mediator in securing the release of Western hostages held in Lebanon. The difficulties were highlighted last spring when Belgian Foreign Minister Leo Tindemans visited several Middle East countries as president of the EC's Council of Ministers but was forced to exclude Syria.

Britain originally asked for the ban, but made clear at a European summit in Brussels last month that it would not stand in the way of community partners who wished to resume contacts. However, British officials said London would not renew its own diplomatic relations with Damascus.

East-West relations will also feature in today's talks between the foreign ministers. They can expect a report from West German Foreign Minister Hans-Dietrich Genscher on his recent visit to Moscow with President Richard von Weizsäcker.

On the Gulf war, and the growing threat it presents to world shipping in the region, Britain and France will report to the EC foreign ministers on a recent UN Security Council resolution calling for a ceasefire between Iraq and Iran. But no European initiative over the Gulf was likely, as EC governments were happy to let the UN take the lead.

FOREIGN BRIEFS

'World's biggest' underground lake found

JOHANNESBURG (AFP). — A team of 40 South African divers, scientists and speleologists are en route to northern Namibia to explore what they believe is the world's biggest underground lake, covering two hectares. Although there have been reports of the existence of the lake, called Drachenhauchloch (Dragon Breath Hole), its location was kept secret until the weekend, when the South African Speleological Association revealed it was 60 kilometres from Grootfontein in northern Namibia.

Islamic gold coin expected to fetch \$10m.

GENEVA (Reuters). — A pure gold Islamic coin believed to be the world's largest at 12 kilos is expected to fetch \$10 million at a private auction here in October, the auctioneers said yesterday.

The coin, known as the "1,000 muhurs," was minted for the Mogul emperor Jahangir of Delhi in 1613, according to the Geneva auction house Habsburg and Feldman.

Terrorist gets 17 years

ROME (Reuters). — A court has sentenced a Lebanese-born Palestinian to 17 years jail for a hand-grenade attack on Rome's fashionable Café de Paris in which 39 people were injured.

The court, which took six and a half hours to reach its verdict, also ruled that Ahmed Ali Hussein Abu Sereya should be expelled from Italy once he had completed his sentence.

Turkish census curfew

ANKARA (Reuters). — A curfew forced almost all Turkey's 51 million people to stay at home while the sun shone yesterday, as officials went from door to door to draw up a new electoral roll.

The curfew was ordered ahead of a referendum on September 6 on whether to allow banned former leaders to resume political activity. Newspapers said the penalty for breaking the order was a 10,000-lire (\$12) fine.

Robin Hood's haven to be protected

NOTTINGHAM, England (Reuters). — The sheriff of Nottingham never would have approved. But town councillors have agreed to spend almost £19,000 to save Major Oak, Robin Hood's legendary hiding place in Sherwood Forest.

Computer analysis shows that the centuries-old tree, used by the bandit who stole from the rich and gave to the poor, could rot unless it is fitted with an airtight plastic dome.

'Jordan not hosting Syria-Iraq meeting'

AMMAN. — Jordan denied a report from Jerusalem yesterday that King Hussein plans to host a landmark public reconciliation meeting between the presidents of Iraq and Syria in Amman this month.

Palestinian sources in Jerusalem said King Hussein was arranging the meeting between Iraq's Saddam Hussein and Syria's Hafez Assad in a bid to end the Iran-Iraq war and pave the way for a long-delayed Arab summit.

Arab League Secretary-General Cheddi Klibi, seeking Arab unity ahead of a possible Arab summit, held talks yesterday in Amman with Jordanian Prime Minister Zeid Rifa'i.

The official news agency Petra said they discussed ways to close Arab ranks and efforts by the UN and the Arab League to end the Iran-Iraq war.

Rifa'i later left for a 24-hour visit to London, where he will accompany King Hussein to meetings with Prime Minister Margaret Thatcher and Foreign Secretary Geoffrey Howe. Amman's independent newspaper *Al-Rai* reported.

In a related development, Syrian Foreign Minister Farouk al-Sharaa arrived in Teheran yesterday carrying a message for Iranian President Ali Khamenei. Iran's official Islamic Republic News Agency reported. (Reuters, AFP, AP)

Secret service plot to topple Wilson

UK paper faces suit for baring spy book extracts

LONDON (Reuters). — Britain's attorney-general said yesterday he would take legal action against the *Sunday Times* newspaper for publishing extracts of a banned book on the country's secret service, M15.

A spokesman for Sir Peter Mayhew said proceedings against the newspaper for criminal contempt of court would start today in the high court.

The announcement followed the publication in yesterday's *Sunday Times* of extracts of the book "Spycatcher," the memoirs of former assistant director of M15 Peter Wright, alleging M15 plotted to topple former Labour prime minister Harold Wilson in the 1970s.

The government went to court last year to ban the book's publication in Britain, saying Wright was in breach of his contract to keep his work confidential.

The *Sunday Times* said it had timed the extracts to coincide with publication of the book in the U.S. where it is due to go on sale this week.

The extracts from Wright's book said the alleged plot against Wilson was rooted in the suspicious death from a rare disease in 1963 of Wilson's predecessor as head of the Labour Party, Hugh Gaitskell.

Wright said M15 suspected the KGB, the Soviet secret service, of having induced the disease, *lupus*

disseminata, in order to replace Gaitskell with KGB man.

"It was inevitable that Harold Wilson would come to the attention of M15," the book said.

Wright goes on to say that after Wilson became prime minister in 1964, M15 was told by head of counter-espionage at the U.S. Central Intelligence Agency (CIA) Jim Angleton that Wilson was a Soviet agent.

(Angleton) said he would give us more detailed evidence and information if we could guarantee to keep information inside M15 and out of political circles," Wright wrote. But M15 refused to accept the restrictions and no further information was provided, he added.

But there was no attempt at a plot until 1974, when Wilson came back to power after four years of Conservative government.

Wright then retired to Australia, where Britain has also gone to court to prevent publication of his memoirs. The case there is continuing with an appeal from the British government.

Yesterday's extracts also charged that Britain bugged the Egyptian embassy during the 1956 Suez crisis and that the British prime minister of the time, Anthony Eden, twice approved a plan to assassinate Egyptian leader Gamal Abdel Nasser with nerve gas. Both time he rescinded his approval.

Anti-Libyan action called off

WASHINGTON (AFP). — The U.S., Egypt and Sudan jointly planned a secret operation in 1983 to destroy as much as one-third of Libya's air force, it was reported here yesterday.

The plan was reportedly intended to deter Libyan leader Muammar Gaddafi from destabilizing the governments of neighbouring countries.

Sources in Washington and Cairo said the Egyptian Air Force cancelled the attack in February 1983 after ABC news reported the movement of U.S. surveillance aircraft and the potential redeployment of a U.S. naval task force to the region, the *Washington Post* reported yesterday.

Officials in Washington, Cairo and Khartoum intended to use Sudanese undercover agents — pos-

ing as pro-Libyan revolutionaries — to encourage a Libyan air strike against Sudan in an attempt to topple the pro-Western Numeiri government, the officials said.

If Gaddafi fell for the ploy and ordered an air strike, then Egypt's powerful air force was prepared to send its war planes, guided by U.S. A-6s surveillance planes and refueled by airborne U.S. tankers, to counterattack the Libyan aircraft, the paper said.

The daily said the sophisticated scheme was developed by former Sudanese president Jaafar Numeiri and his security advisers.

Spokesmen for the Egyptian military command, for the White House and for Numeiri, who was ousted in 1985 and now lives in Cairo, declined to comment on the alleged plot.

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IN THE SUPREME COURT OF SOUTH AFRICA (WITWATERSRAND LOCAL DIVISION) CASE NO. 27/10291 IN THE MATTER BETWEEN: FRANK JOHANNES ESSEER Plaintiff and EMILY LILIAN ESSEER (born PAYNE) Defendant

EDICTAL CITATION SHORT FORM OF SUMMONS

TO: EMILY LILIAN ESSEER (born PAYNE) an adult female whose present occupation is unknown, formerly resident at 40 Morim Road, Hyde Park, Sandton, and whose present whereabouts are unknown.

TAKE NOTICE THAT by summons issued out of the Court you are hereby called upon to give notice within 1 (one) month after publication hereof, to the Registrar and to the Plaintiff's attorney of your intention to defend (if any) in an action wherein FRANK JOHANNES ESSEER, an adult male of 40 Morim Road, Hyde Park, Sandton, claims:

a) A decree of divorce; b) Custody of the minor children born of the marriage subject to the Defendant being entitled to exercise reasonable access to the two minor children born of the marriage at all reasonable times; c) Costs of suit only in the event of the Defendant opposing the claim or any of the relief claimed; d) Further or alternative relief.

TAKE NOTICE FURTHER that if you fail to give such notice, judgment may be granted against you without further reference to you.

DATED at JOHANNESBURG this 21st day of MAY 1987.

(Signed) H. Ransburg, Supreme Court of South Africa, (Witwatersrand Local Division), Room 907 Supreme Court Building, Von Brandis Square, JOHANNESBURG.

(Signed) D.L. KROVITZ, Plaintiff's Attorney, 5th Floor EPBS Building, 112 Commissioner Street, JOHANNESBURG, REP. D.L.C. MRP: 5655

JES-15414

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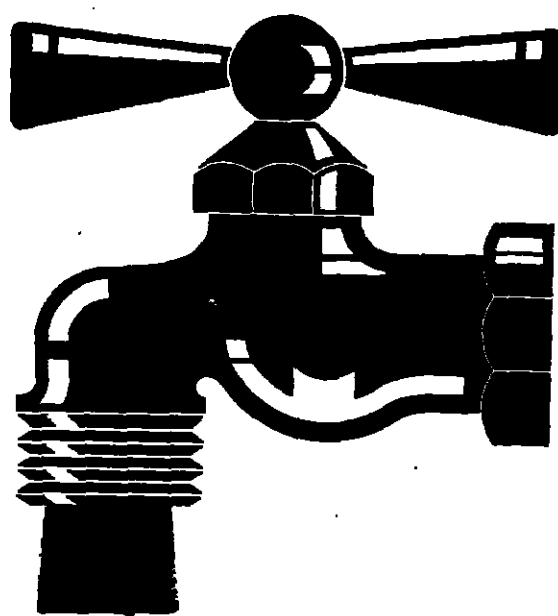
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Water Discipline — It's Essential!

The taped conversations of Rafi Levy

'Clothes' by the kilo

we should have a Sunday strike

We should have a Sunday strike

STANDING ROOM ONLY. - A strike-swollen crowd swarms over the beach in Tel Aviv yesterday. (M. Daniel/Media

"We support all the aims of the strike, although in our opinion it does not go far enough," said Mussa, a member of the Democratic Front for Peace (Hadash) and a resident of Acre.

"We want the Histadrut to call a general strike which should continue until all demands have been met."

CINEMA PERFORMANCES	
JERUSALEM	HAIFA

2.05 Information, regards and radio
ical Mystery Tour (repeat) 23.05 All

LRU-ZU.15 News 	the Rose 4:30, 7, 9:45
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"The process takes longer and requires greater patience, but the results are rewarding."

He added that policies advocated

RADIO

Talmi; Copland: Variations on a Shaker Melody 20.05

7:45, 9:50; Navigator: 10:45, 12:45, 4; Chen 3: Stand By Me 5:30, 7:30, 9:55; Case Bears II, 10, 12:45, 4; Chen 4: Tin Men 9:55 p.m.; That's Life 5:35, 7:45; Sword in the Stone 10:45, 12:45, 4; Chen 5: Soul Man 5:35, 7:55, 9:55; Bambo 10:45, 12:45, 4; Chinese One: Young Love 5:30, 9:40; Chinese Two: Over the Top 5:30, 9:40; Delikat: Crocodile Dundee 7:15, 9:30; Diamondoff 1: Les Fugitifs 11, 5, 7:30, 9:50; Diamondoff 2: Personal Services 11, 5, 7:30, 9:50; Diamondoff 3: Decline of the American Empire 7:30, 9:50; An American Tail 11

the Rose 4:30, 7, 9:45 Continued

10:30a: The Morning After 7, 9:30;
11a: Los Fugitivos 5, 7:15, 9:30 (occ.);
11:30a: Batito the Unemployed 5, 7:15,
12p: Young Love 5, 7:15, 9:30; **New**
Castle Dundee 7:30, 9:30.
12:30p: **Unhush!** Don't Give A Damn
1:30p: Little Shop of Horrors 7:30,
2p: Young Love 5, 7:30, 9:40.

Centre: Golden Child 7.9:15.

ROCKEFELLER MUSEUM: Animals in Ancient Art & Crusader Art.

VISITING HOURS: Main Museum 10-5.
10:30: Children's film, "Emerald Forest".
11: Guided tour of Museum in English. 11 &
12: Jahnkari, Indian music, singing and
dancing. 3: Guided tour of Archaeology
galleries in English. 3:30: Children's film,
"Emerald Forest".

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مكتبة الامم المتحدة

The Colonel Stands His Ground

North Wins The Public At Expense Of Superiors

By R. W. APPLE JR.

AFTER all those months of waiting, all those months of television pictures of the mute marine ducking out of his house and into his car, Ollie North talked last week, and the nation liked what it heard. Lieut. Col. Oliver L. North, most people concluded, was neither a nut nor a lone wolf but a classic specimen of manly rigor and character — not a national hero, as President Reagan had suggested, but not the villain that others had portrayed.

In four days before the Congressional committees investigating the Iran-contra controversy in which he played so central a role, the 43-year-old marine officer put on a bravura performance rooted in the American tradition. Underdog, true believer, one man against the crowd: there was a lot of Gary Cooper in him, the lonesome cowboy, a lot of Jimmy Stewart too, the honest man facing down the politicians, and quite a bit of Huck Finn.

Pensive, passionate, sanctimonious, sincere, impatient, impenitent, articulate, aggressive, cocky, contrite — he was all of those things and more. The messages of support began pouring in, the Hollywood producers and the Manhattan publishers began salivating over this hot new property, and a man who began the week as a kind of pariah ended it more popular, by several soundings of public opinion, than the President whose policies he insists he was loyally carrying out.

But the fascination of the lengthy hearings was by no means confined to style. There was drama, too, in the substance of Colonel North's responses to the questions of the lawyers and politicians whom he faced, medals and ribbons decorating his tunic, across the witness table.

A Struggle for Accountability

On one level, it was, of course, a man's struggle to redeem himself in the eyes of the country. (He may yet have to redeem himself in a court of law, if the special prosecutor's inquiry leads to an indictment.) On another, it was a historic moment in the long struggle for the accountability of governments and the more contemporary conflict between the executive and legislative branches for primacy in the conduct of foreign policy.

Almost at the end of the week's final session, Representative Ed Jenkins, a Democrat from Georgia, remarked with some scorn that not a single elected officeholder seemed to have had the slightest notion that revenues from the Iranian arms sales had been siphoned off to the Nicaraguan rebels. As ever, Colonel North said he had "assumed" at the time that Mr. Reagan knew, but now accepted that he did not. The telling moment threw into relief the Reagan Administration's apparent willingness to conduct the public business through any network that it could improvise when official channels were closed as well as its unwillingness to tell Congress what it was doing.

The conflict between the executive and legislative branches stood out sharply from several of Colonel North's exchanges with John W. Nields Jr., the chief counsel for the House committee. Referring to himself as "this marine" and "this lieutenant colonel," he stuck to the argument that the President and his personal staff were not bound by Congressional restrictions on aid to the contras, and that it was legitimate to lie to Congress and to others in Government.

"You denied the elected representatives of our people the facts they needed to make a very important decision for our nation?" asked Mr.



Nields. "I did," answered the colonel, "because we have had incredible leaks from discussions with closed committees." Senator Daniel K. Inouye, the Hawaii Democrat who is chairman of the Senate panel, coldly challenged that.

Late in the week, the chief counsel for the Senate committee, Arthur L. Liman, laid something

A cartoonists' omnibus Page 4

of a trap. Colonel North had said that he always had authority for what he did from the national security advisers for whom he worked during his five years in the White House. How then, the counsel asked, could he explain the fact that one of them, Robert C. McFarlane, had testified that he believed the restrictions of the Boland Amendment did apply to him and his staff? The colonel was unable to cite countervailing authority.

Many had expected the marine officer to fall on his sword to protect the President and others, and he said that had indeed been his intention until he discovered that his was "the only name on the Planet Earth" mentioned in the order appointing Lawrence E. Walsh, the independent counsel.

In the event, the colonel implicated a number of high-ranking officials far more deeply than before — notably Secretary of State George P. Shultz; Elliott Abrams, the Assistant Secretary of State for Inter-American Affairs, and the late Central Intelligence Director, William J. Casey. He left the Administration, and the President himself, more wounded by the scandal than ever before, even though he did not directly implicate Mr. Reagan.

The ultimate impact of all of this is not easy to assess. A New York Times/CBS News Poll showed clearly enough that Colonel North had swung the country behind him personally, that people thought he was a patriot who was telling the truth. But clear majorities also said he had gone too far, that he should not have helped the contras when Congress had forbidden official aid. And opinion was evenly divided on whether he had behaved as if he were above the law.

The irony is that the colonel, so zealous a servant of Mr. Reagan, so single-minded in his devotion to the contras, appears to have done little so far for his causes: 80 percent said they thought Congress, not Ronald Reagan, was more trustworthy on foreign relations, 51 percent opposed aid to the Nicaraguan rebels and 56 percent said they thought the President was lying when he said he had not known of the diversion of funds.

Colonel North may have been, as Representative Richard B. Cheney, a Wyoming Republican, described him, "the most effective and impressive witness this committee has heard." But he has raised more questions than he has answered, and this week the committee hears from Rear Adm. John M. Poindexter, one of those "superiors" to whom the colonel says he always deferred.

Senator Christopher J. Dodd, the Connecticut Democrat, said that Ollie North reminded him of Melville's Billy Budd. He offered this prediction: "This is a political contest, not a trial. North is putting the blame on Poindexter. Poindexter will put the blame on Casey, and Casey is dead. And that is where this thing will end."

Iran-Contra Affair

A Defiant Tale of Evasive Actions

During a gripping week at the witness table, Lieut. Col. Oliver L. North proudly gave his version of the Iran-contra affair. And at week's end, members of the Congressional committees said the stacks of laudatory telegrams piled several inches high on the table in front of the colonel had not lessened their determination to pursue their inquiry — although at times it seemed to have muted their tone. Highlights of the week's developments follow.

• Colonel North said he did nothing in his five and a half years on the National Security Council staff that had not been approved by his superiors. He protested the implications of others that he had been, as he put it, "a loose cannon on the gun deck of state at the N.S.C."

"I haven't in the 23 years that I have been in the uniformed services of the United States of America ever violated an order, not one," he said. Documents made public during the hearings supported his assertion that he had the national security adviser's approval for most, if not all, of his actions.

• Although no one explicitly told him so, he said, he "assumed" throughout that President Reagan had known about all of his activities — including the diversion of profits from the Iran arms sales to the contras. He disclosed that he had sent his boss, Rear Adm. John M. Poindexter, the national security adviser, at least five memorandums asking for the President's approval of the diversion of funds to the contras, among other matters, and none came back disapproved. But he said the President told him after he was fired that he had never seen any of them.

• The diversion of funds was "a neat idea," he said, and William J. Casey, the late Director of Central Intelligence, had known of and applauded it from the very first moment, early in 1986. That contradicted Mr. Casey's version of events. Last fall he said he had not known of it before October.

• Mr. Casey, Colonel North said, had in essence served as his case officer for several years; the C.I.A. director advised and directed him on numerous covert activities — he even told him to take poison pills on his trip to Teheran in case he got into trouble. Using Iran arms sales proceeds, he said, the two of them decided to establish an "off-the-shelf, self-sustaining, stand-alone" secret fund for future covert operations to be conducted outside the normal channels of Government.

• He and Mr. Casey agreed that, should their "full-service covert operation" be made public, Colonel North would be the "fall guy," the "scapegoat." But Colonel North said he changed his mind after the special prosecutor was appointed last December. "I never in my wildest dreams or nightmares envisioned that we would end up with criminal charges."

• Throughout, he insisted that he never broke the law in any of his secret undertakings because in every case he was a dutiful marine following orders.

• He said Secretary of State George P. Shultz, Assistant Secretary of State Elliott Abrams and several other senior Government officials, including the chairman of the Joint Chiefs of Staff, had known all about his covert program to aid the contras, "although they may deny it" now. Indeed, Mr. Shultz and several others vigorously denied Colonel North's assertion. But he remained steadfast, saying all of them had before offered nothing but warm praise for his efforts.

• He said Robert C. McFarlane, the national security adviser until the end of 1985, told him to falsify a chronology of the Iran arms sales that was prepared last fall. His version, he said, had been more or less correct. The false language, he said, was inserted to protect the President. "I had gotten that language from Mr. McFarlane," he said. That version runs directly counter to Mr. McFarlane's account.

• He readily acknowledged shredding hundreds, perhaps thousands of documents, asserting that he threw important papers into the office shredder even as Justice Department officials investigating the Iran arms sales worked a few feet away. "They were working on their project," he said smiling. "I was working on mine." Justice Department officials said they had no recollection of that.

• He admitted lying to Congress repeatedly and was hardly apologetic. Asked if there was a better way to run covert operations than to mislead Congress, the colonel said yes, there was: "Divulge nothing." "It's a dangerous world," he maintained, and sometimes irregular approaches are necessary — particularly if necessary to keep the contra program alive.

• The colonel, who has been named as a co-conspirator in the indictments of two private fundraisers, vigorously denied soliciting money for the contras. But he repeatedly said "thank God" for the private contributions that were made.

• Denying several suggestions that he had profited personally from the Iran arms sales, he said "I never took a penny." But he did acknowledge that he had allowed Maj. Gen. Richard V. Secord to pay for a \$13,800 electronic security system for his home and wrote two fake letters to disguise that fact. That, he said, had been "the grossest misjudgment of my life."

JOEL BRINKLEY

It's Poindexter's Turn

How High 'Up the Line' Did the Memos Go?

WHEN Lieut. Col. Oliver L. North leaves the witness table this week, his place will be taken by Rear Adm. John M. Poindexter, the former national security adviser and the man Senator Warren Rudman of New Hampshire, a Reagan loyalist but one of the Iran-contra hearings' toughest questioners, expects to be "by far the most single important witness."

The testimony of Admiral Poindexter, a baldish pipe-smoking career Navy officer, is likely to proceed at a lower emotional pitch than Colonel North's. Associates say he has displayed little of his former aide's flair for dramatic narrative.

But Colonel North has said that while he prepared five memos for the Admiral that mentioned the diversion of Iran arms sales profits to the Nicaraguan rebels, he has no idea whether any of them ever reached President Reagan. And Admiral Poindexter, committee members believe, will be able to say where those memos went.

President Reagan told the Tower Commission earlier this year that he



Rear Adm. John M. Poindexter

did not know about the diversion. And Admiral Poindexter told Attorney General Edwin Meese 3d during last November's preliminary investigation that he himself was only generally aware of the diversion and did not investigate further because he "felt sorry" for the contras.

A different picture emerged last week from the testimony of Colonel North. The Admiral, he said, was kept fully apprised of each step in the various covert operations. Documentary evidence lent support to Colonel North's claim, showing that time after time he sent forward memorandums asking Admiral Poindexter's approval for steps taken in covert Iran or contra operations.

But Colonel North also testified to close collaboration with William J. Casey, the Director of Central Intelligence, who died of cancer in May. They worked so closely that some committee members suspect that Colonel North was not really under the direction of the national security adviser.

Colonel North said last week that he never forgot whom he was working for. But he did acknowledge that on more than one occasion, he got pointers on memos to the Admiral from Mr. Casey, who, had he lived, could have been the pivotal witness about what his close friend the President knew, and when.

STEPHEN ENGELBERG



John W. Nields Jr., the chief House counsel, aggressively questioning Lieut. Col. Oliver L. North.

The World



Bodies of Hindu bus passengers who were massacred by Sikh terrorists in the Indian state of Haryana.

Sikh Terrorists Kill 72 in Attacks on Buses in India

Sikh terrorists killed dozens of Hindu bus passengers last week, touching off a new round of sectarian violence and challenges to Prime Minister Rajiv Gandhi's Government. On Monday night, 38 bus passengers were shot to death and more than 20 wounded in the northern state of Punjab, where Mr. Gandhi had dismissed the Sikh governor in May in an effort to restore public order. On Tuesday, 100 miles to the southwest, 34 more bus passengers were killed and 30 wounded in Haryana, a predominantly Hindu state situated between Punjab and New Delhi. Five hundred people have been killed this year in Sikh-related violence.

The police attributed both attacks to the Khalistan Commando Force, a group demanding a separate nation for India's 15 million Sikhs — about 2 percent of the population of 770 million. More than 80 percent of Indians are Hindu. The group said it was retaliating for killings of Sikhs by the Government. The police have said at least 33 people they described as Sikh extremists have been killed in Punjab in less than a month.

The bus attacks ignited new violence as Hindu mobs took to the streets in New Delhi and other cities, seeking vengeance against Sikh temples and other property. At least nine people were killed in the anti-Sikh protests. Opposition politicians called work stoppages in several cities. Crowds in Haryana burned effigies of Prime Minister Rajiv Gandhi, blaming his Government for failing to check the violence.

Captive Writer Appears on Tape

In a videotaped statement that was promptly dismissed by a White House spokesman as possibly made under "coercion or perhaps even with torture," Charles Glass said last week that he had come to Lebanon to "collect information for the benefit of the C.I.A." Before he was kidnapped June 17, the 36-year-old former Middle East correspondent for ABC News had told friends he was back in Beirut to work on a book about Lebanon's leading families.

After Mr. Glass was abducted as he drove with the son of the Lebanese Defense Minister through a southern suburb of the city, a group calling itself the Organization for Defending the Free People claimed responsibility. Lebanese authorities believe his captors are Shiite Muslim extremists loyal to Ayatollah Ruhollah Khomeini of Iran.

On the tape, which was left at the door of a Western news agency, Mr. Glass mumbled and his voice broke as he read a statement that, former colleagues noted, seemed uncharacteristically awkward in its use of English. The statement said he had been meeting Lebanese leaders and party officials on orders from the Central Intelligence Agency. An accompanying Arabic-language message said the tape contained "some of the facts emerging out of the preliminary interrogation of American spy Charles Glass." Marlin Fitzwater of the White House said Mr. Glass never worked for the C.I.A., directly or indirectly. The State Department said he had never been employed by the United States Government.

In Israel, a Vote On Who Is a Jew

Two of Israel's bitterest disputes, the theological one over who is a Jew and the political one over control of Parliament, came head to head last week with results that put new strains on the coalition Government. Parliament rejected by the narrow vote of 62 to 53 measures that would have effectively denied the legitimacy of Reform and Conserva-

tive Judaism — the movements to which most Jews outside of Israel belong — and reserved the granting of automatic Israeli citizenship for Orthodox converts. Under the so-called Law of Return, Jews from around the world can come to Israel and immediately become citizens.

Among those opposing the measures, which would make non-Orthodox Jews less welcome in Israel, were five Arab members and a Druse, a paradox not lost on Rabbi Richard Hirsch, head of the International Reform movement, with headquarters in Jerusalem. "The critical role played by the Arab members of Parliament in defeating these bills just points up how absurd it is that a secular Parliament should be legislating on who is a Jew," he said. "What it came down to was six Arabs sitting in Jerusalem determining who is a Jew in New York, Melbourne, London and Johannesburg."

The small but influential Orthodox religious parties pushed hard for the narrower definition of Jewishness, and there was speculation that they might try to bring down the Government of Prime Minister Yitzhak Shamir, whom they have supported, in retaliation for the defeat.

Although Mr. Shamir voted for the amendments to the Law of Return, the Orthodox leaders were angry because some members of his Likud bloc sided with the majority, which was made up of the Labor and small leftist parties as well as the Arabs.

The Trial Begins At Chernobyl

Chernobyl in the Soviet Ukraine has been a virtual ghost town since April 26, 1986, the day of the disastrous explosion of the nuclear reactor 11 miles away. Last week, a handful of people returned, not to live there, but to attend the trial of the men the Soviet Government says were responsible for the world's worst nuclear accident.

In a makeshift courtroom where technicians checked people for radiation presumably to determine whether there was still radioactivity nearby, prosecutors contended that the accident was entirely the result of human error and accused the plant's former director, chief engineer and four other officials of "blatant violation" of safety regulations. All six defendants denied some of the charges; three blamed the plant's design or equipment.

At least 31 people died and more than 200 others suffered from acute radiation sickness after unauthorized tests reportedly caused an explosion at the plant. A cloud of radiation polluted Europe and eventually circled the globe. Most of the 135,000 people evacuated from the region near the plant are still unable to return to their homes.

Keeping Heat on Panama's Military

Panama's military-controlled Government offered conciliatory gestures with little success last week. The civilian President, Eric Arturo Delvalle, broadcast an appeal for "a truce in our passions" aroused in five weeks of political turmoil. He called for a speedy investigation of "grave charges" of corruption, electoral fraud and political murder, which a former associate had leveled against the military commander, Gen. Manuel Antonio Noriega.

But an opposition group, Civilian Crusade, insisted any discussions must center on the getting rid of the general. As for an investigation, the group said, the authorities could not handle it because "the courts offer no guarantees for Panamanians and have no credibility in our eyes." On Friday, thousands of people defying a ban on political meetings were turned back by policemen who fired tear gas and shotguns.

Milt Freudenheim,
Katherine Roberts
and James F. Clarity

Reagan Suggests a United Effort to End Market Chaos

Plotting a Global Attack Against Farm Subsidies

By PETER T. KILBORN

WASHINGTON — PRESIDENT REAGAN has proved a master of the machinery of new ideas, some workable, some not, and the idea he proposed last week looked like one of the latter. Mr. Reagan asked the governments of the world, most of them popularly elected, to join him in bargaining away much of the aid they give the farmers who help keep them in power. The President's own Congress rebuffed his attempt nearly two years ago to cut back aid to agriculture, and now he presumes that all legislatures can collaborate in doing what his own would not.

But most other countries and even some farm-sensitive Democrats in Congress seem persuaded that Mr. Reagan has a point worth pursuing. The point lies in the collaboration. If all major countries synchronize reductions in aid that impedes trade in agriculture, then all countries stand to gain much more for their economies as a whole than each gains now by protecting farmers. "We are going to go side by side," said the President's special trade representative, Clayton K. Yentler.

"The President has raised an issue that has to be raised," said Senator Patrick J. Leahy, the Democratic chairman of the Agriculture Committee. "He knows and I know you can't just keep increasing agricultural subsidies. There's not the money for it, and there's not the political support for it. If other countries are willing to put their agricultural subsidies on the table, I'm willing to put ours on the table. But we're not going to do it unilaterally."

The aid in its various forms — subsidies to farmers who export, arbitrary policies that hold prices well above what the market will bear, and quotas and tariffs on farm imports that make barriers to manufactured goods seem laughably

benign — has produced grotesque, even bizarre distortions in world markets.

The kingdom of Saudi Arabia grows oil-subsidized wheat in the desert sand, then sells it at a fraction of the production cost to other countries. Western Europe, once the leading importer of American wheat, also exports wheat with subsidies paid for by taxpayers.

All this support keeps farmers farming, but produces chaos everywhere else. It costs about \$25 billion a year in the United States and about the same in the 12-nation European Community. These are mind-boggling sums. American farm spending accounted for nearly 12 percent of last year's Federal budget deficit of \$221 billion, and it could account for 15 percent of this year's smaller deficit, estimated at \$170 billion. In Europe, aid to farmers alone has thrown the community's budget deep into the red and the member countries into bitter divisions, from the West German Government, whose political fortunes are tied to rural agricultural interests, to the British, whose are not.

Self-Defeating Cycle

Support to farmers also pushes world prices below the cost of production, depressing the incomes of many farmers who would otherwise thrive, and leads to surpluses that far exceed the needs of the world. Artificially low world prices impede the ability of poorer countries to make a profit from agriculture. And developing nations that cannot make money from farm exports cannot make payments to their creditors or buy the manufactured goods the rich countries produce. So everywhere economic growth falls far behind potential just as it has been doing this year.

For all that, the political clout of farmers had precluded even the discussion of the issue in the industrialized world until a year ago, when, at the seven-nation economic summit conference in Tokyo, the countries agreed for the first time

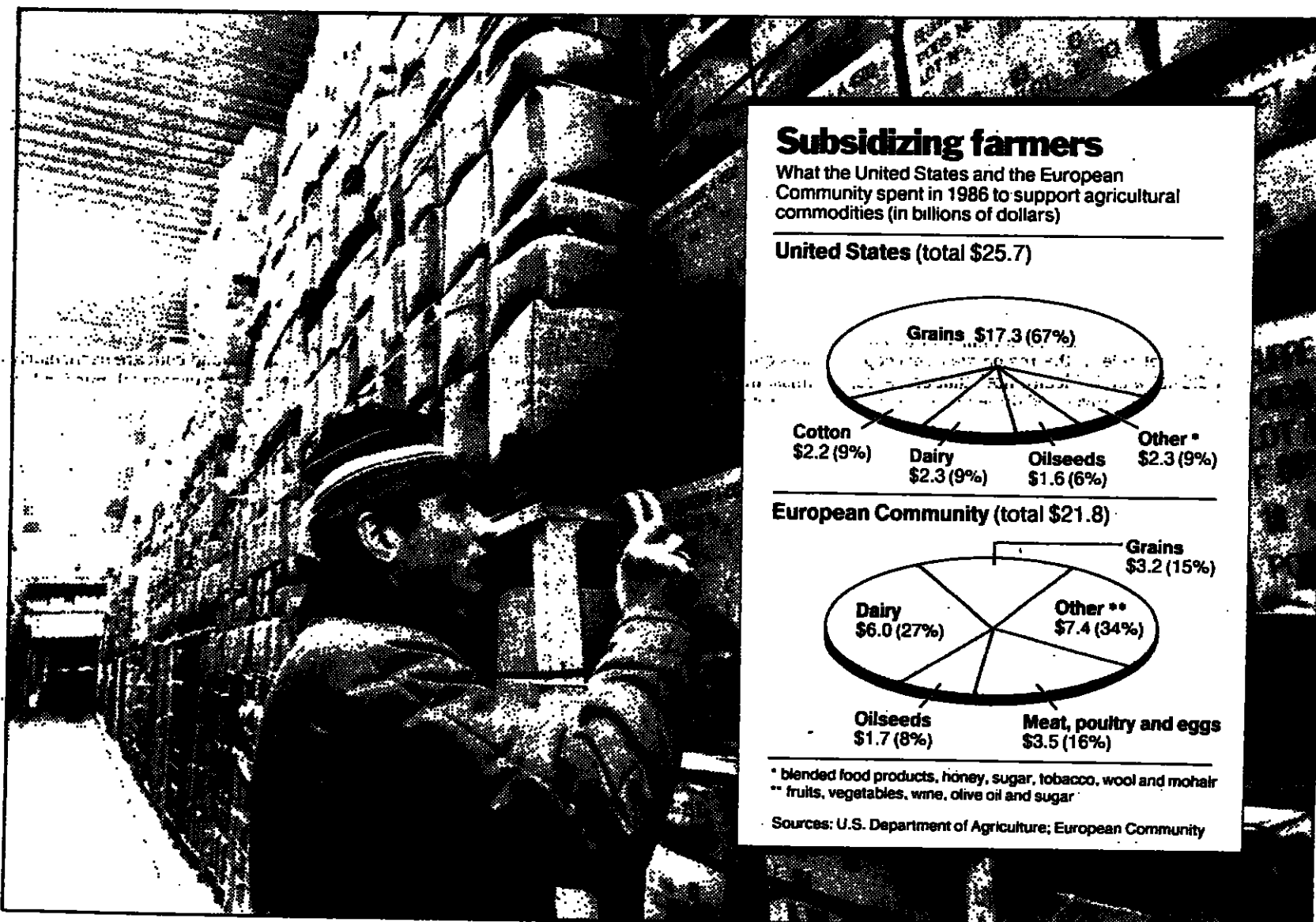
that they had a problem. Then at the conference in Venice last month, the countries gave their blessings to the debut of negotiations among the 93 members of the General Agreement on Tariffs and Trade that will attempt to tackle the farm-trade issue.

But the other countries have resisted American appeals for deadlines and rapid progress. So last week, at GATT talks in Geneva, President Reagan's emissaries escalated the debate by putting his demands on the table. "The heart of our proposal," the President said in Washington, "is the elimination, over a 10-year period, of all export subsidies, all barriers to each other's markets, and all domestic subsidies that affect trade." The President promised that countries could maintain policies that protect farmer incomes, provided they don't interfere with world prices and market forces. Some critics found the provision a bit disingenuous if politically necessary. In protecting farm incomes, they said, the President would keep farmers in business, and thus contribute to excess production.

Critics also found countless obstacles on the road to free trade in agriculture. Seventy percent of the world's cotton, for example, is produced by two countries, the Soviet Union and China, that are not members of GATT and therefore not subject to its agreements. Or, as part of a GATT agreement, the United States might go along with reducing its protection of American sugar farmers if Japan opens its markets to American rice. One American interest, rice farmers, might cheer, but what about the other interest, the sugar growers?

In view of such conflicts, some members of Congress, while applauding the goal of reducing farm supports, would not go as far as the President in leaving agriculture to the tides of the marketplace. Representative Dan Glickman, Democrat of Kansas and a member of the House Agriculture Committee, said he might support keeping governments in agriculture, if to a lesser extent than they are now, by divvying up the world market and assigning parts of it to the producer countries.

"I'd like to see some world grain agreements, some market sharing agreements," Mr. Glickman said. He estimated that if the Government abandoned all aid to agriculture, the United States would lose 15 percent of its farmers. "That just ain't going to happen," he said. "It ain't going to happen in Europe either."

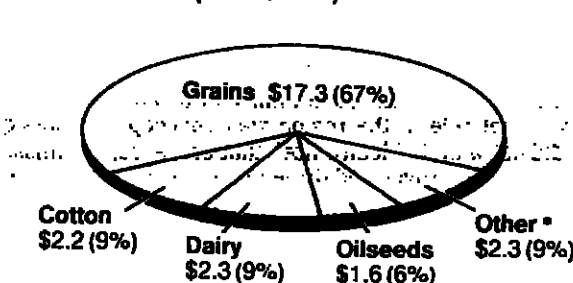


Surplus butter from the European Community piled up to the ceiling of a warehouse in France.

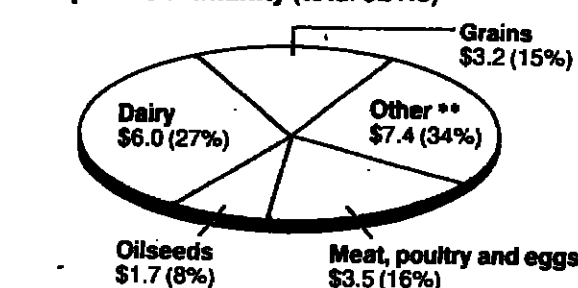
Subsidizing farmers

What the United States and the European Community spent in 1986 to support agricultural commodities (in billions of dollars)

United States (total \$25.7)



European Community (total \$21.8)



* blended food products, honey, sugar, tobacco, wool and mohair
** fruits, vegetables, wine, olive oil and sugar

Sources: U.S. Department of Agriculture; European Community

Government Tries to Dispel Skepticism About Human Rights Efforts

Turkey's Westward Yearnings

By ALAN COWELL

IRRITATED by pressure from its NATO allies and beset by criticism at home, Turkey's civilian leaders are seeking to emerge from the shadow of the generals who seized power in the early 1980's, a process that seems ponderous, lonely and uncertain.

Turkey has recently threatened to review its membership in the North Atlantic Treaty Organization because of resentment at support by some of the allies for a resolution by the European Parliament accusing the Turks of massacring Armenians during World War I. The authorities are also smarting at Congressional moves that would forbid using military support, the mainstay of the armed forces, to improve the equipment of Turkish troops in northern Cyprus. Both moves are taken here as attacks on national sensitivities.

The pace of movement toward democracy also is challenged by adversaries at home, who dispute the legitimacy of the civilian authorities and decry the human-rights record of the Government of Prime Minister Turgut Ozal. Turks will vote in a referendum Sept. 6 on whether to lift a ban on leading former politicians, including two prime ministers, Suleyman Demirel and Bulent Ecevit, whom the military had blamed for letting violence run rampant. "I am fighting," said Mr. Demirel in a recent interview, "for a civilian administration, civil rights and a truly democratic regime."

Human rights is the issue most often cited by critics of Turkey's effort to depict itself as a nation on course for democracy. During military rule, from 1980 to 1983, an estimated 180,000 to 250,000 people were detained as political extrem-

ists. Some were indicted at mass trials that continued long after the military withdrew. Torture, during and before the military takeover, was said by human rights activists to be systematic, and Amnesty International, the London-based rights monitor, maintains that such abuses continue. Moreover, the rights of organized labor to strike and become politically engaged remain severely circumscribed. Members of the Physicians' Union were indicted last year for opposing the death sentence. It is still technically possible for publications to be banned in some cities.

A Boisterous Press

"Turkey is not an open society in our sense," a Western specialist said, "but things are more hopeful now than at any other time in modern history." Western analysts cite the Sept. 6 referendum, and the proposed lifting next Sunday of martial law in the four southeastern provinces where it is still in force, as an area gripped by a Kurdish insurgency. The era of mass trials and internal exile has ended. Turkey has acknowledged the right of individuals to appeal to the European Human Rights Commission, although it still restricts some cases. And the press seems boisterously critical of the civilian authorities, although, by law, it may not advocate communism, the establishment of a theocracy or Kurdish separatism. However, some journalists have been indicted for criticizing the military's performance during the 1980-1983 intervention, the third such takeover in less than three decades.

Developments suggesting a widening of freedoms are keenly chronicled by those anxious to promote an image of Turkey as a nation looking to the West, pursuing the course set by Mustafa Kemal Ataturk, the founder of the modern republic, in 1923. Despite European opposition, this country, spanning Europe and Asia, has applied

to join the European Community, and so its rulers feel an urge to display a commitment to Western values. Five policemen found guilty of torture, thus, were recently jailed for four and a half years each in a display of official displeasure at the practice.

Yet, according to Western specialists, many anomalies remain. Even when martial law is lifted, the four provinces will still be ruled under an emergency law that empowers appointed governors to override normal legal practice by ordering prosecutions.

Moreover, while many Western specialists dispute Amnesty International's assertions of systematic torture, many argue, too, that there is only a slender division between torture and police brutality, which is generally held to be widespread despite official disavowals. Amnesty International has also chronicled purported instances of arbitrary arrest and nighttime raids on private homes.

At the nation's core lies the debate over whether the generals have truly relinquished power. Prime Minister Ozal last month won praise from many by appointing as Chief of Staff a general of his own choosing. But opponents said he could not have done so without the approval of President Kenan Evren, a former general who led the 1980 coup, harbors clear political ambitions and exerts a strong influence, backed by a powerful faction of the army.

For his part, Mr. Ecevit, the former Prime Minister and a leftist, doubts the Government's sincerity. Since the 1980 coup, he said, the military has entrenched itself in the civilian administration and the running of institutions such as universities and broadcasting. So the most recent coup, he said, "may be the last, because the military does not need to intervene any more. It has installed the kind of regime it always aspired to."

Congress Last Week Demonstrated Its Concern About Reflagging Kuwaiti Tankers

U.S. Role in Gulf Seen as a Way to Regain Arabs' Favor

By DAVID K. SHIPLER

ONE morning last week, while Lieut. Col. Oliver L. North faced intricate questioning on Capitol Hill about the secret arms sales to Iran, a seminar of experts on the Middle East convened at the Brookings Institution to take up a question that Colonel North had not been asked. It had to do with the political and strategic situation in the Persian Gulf, and it was posed crisply by one of the experts, Anthony H. Cordesman, a former Director of Defense Intelligence Assessment in the Pentagon.

"Nobody," Mr. Cordesman complained, "has asked, 'What did you think was going to happen in the Iran-Iraq war after you got through messing around?'"

Colonel North and other Reagan Administration officials have given no hint that they thought through the geopolitical impact of what they were doing. But some of the implications are now becoming clear, as the United States deepens its involvement in the Persian Gulf and prepares to reflag and escort 11 Kuwaiti oil tankers through the Strait of Hormuz.

The reflagging responds more to politics and perceptions than to an objective military situation. It is designed to negate the effect of the clandestine dealings with Iran by reassuring Arab states of American steadfastness. It is also aimed at countering any increase in Soviet influence in the Gulf that may emerge because of the Iran affair's damage to the sense of American dependability.

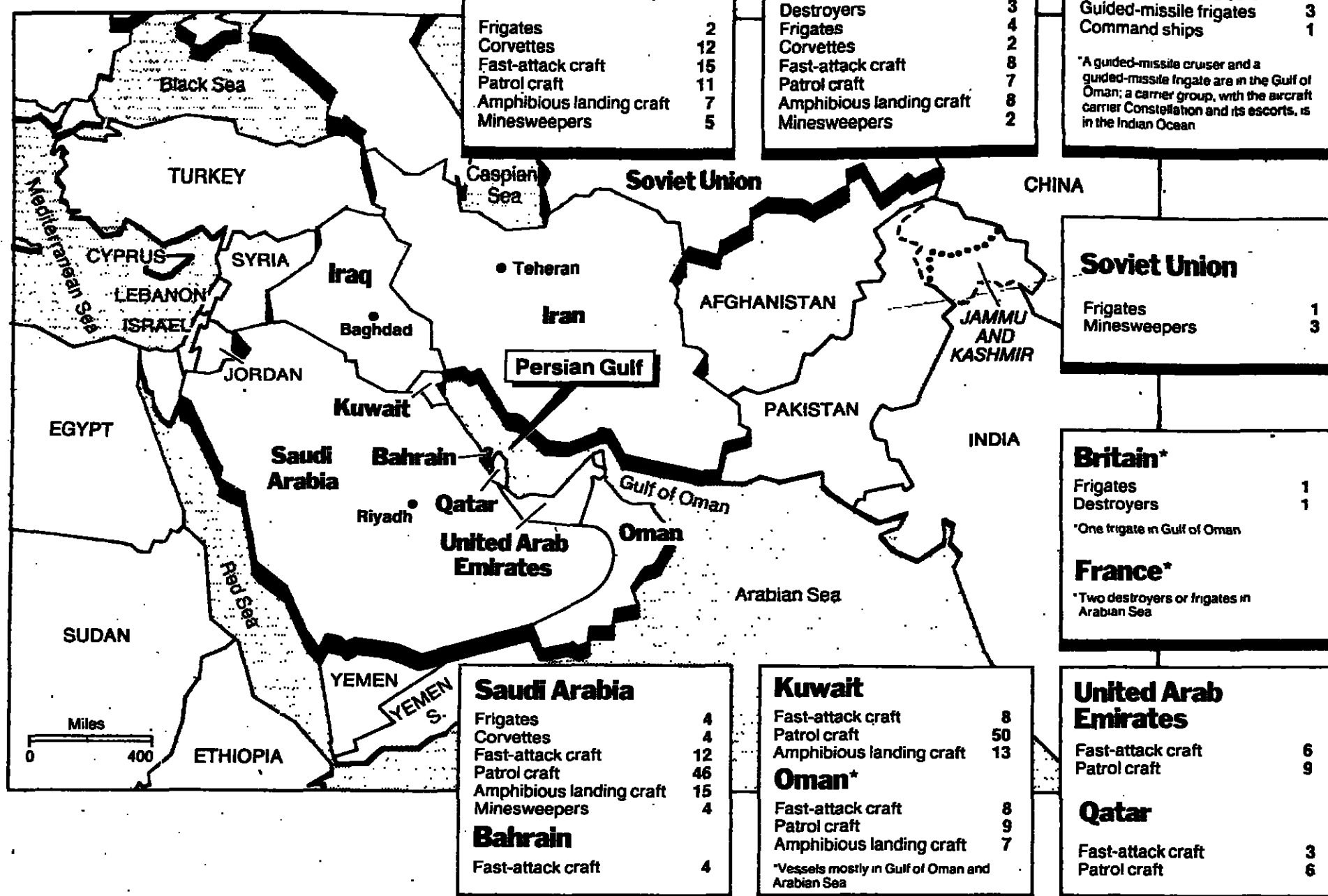
In the longer term, the enhanced military activity comes against a "backlog of failure of this Administration in the Middle East," said Michael Shtern, a former Deputy Assistant Secretary of State in the Carter Administration. That includes the ill-planned deployment and then the confidence-shaking withdrawal of United States marines from Beirut after their barracks were demolished by a truck bomb that killed 241 men in 1983.

Could there be a repeat performance in the Persian Gulf? The House expressed its concern last week by passing a nonbinding resolution to delay the reflagging of the Kuwaiti tankers by 90 days; action in the Senate was blocked by a filibuster. "There is the possibility that additional casualties could cause the U.S. to cut and run," said James A. Placke, Deputy Assistant Secretary of State in charge of the Gulf region from 1982 to 1986. "That would encourage Iran to expand its version of Islamic revivalism throughout the Middle East."

But the Persian Gulf is not Lebanon, and the United States cannot simply make a mistake, admit it and walk away. The overriding issue is future access to the Gulf countries' oil deposits. As Mr. Placke observed, "There wasn't much interest in the Iran-Iraq war until Iraq began the tanker war," which seemed to threaten the flow of oil. And when Iran struck back by attacking tankers going to and from Kuwait, which has allowed its ports to be used for weapons shipments to Iraq, the Kuwaitis asked for American help. Last week, for example, an Iranian boat fired on a Liberian-registered tanker.

Kuwait's request, which came last November, received a cool reception at the State Department, where officials wanted to make a gesture of support without entangling the United States in the war. This hesitation evaporated when Kuwait asked the Soviet Union to share the protection role, which the Russians agreed to do by leasing ships to Kuwait. To Reagan Administration policymakers, any Soviet role in the region was unacceptable, and they did not want to "legitimize" that presence, which now includes a destroyer and three minesweepers compared with nine American ships.

Whose Warships Are in the Persian Gulf



Source: International Institute for Strategic Studies; Center for Defense Information

Howard H. Baker Jr., the White House Chief of Staff, apparently was the only Administration official with a positive reaction to the notion of Soviet-American cooperation, although the idea has had support from some private experts. "It's a unique arrangement that the Kuwaitis chose to invite both the United States and the Soviet Union to share the responsibility for assuring the passage of oil tankers in the Persian Gulf," Mr. Baker said last month. "I think it is clearly not a bad thing." He was quickly contradicted by other officials, who said he misstated the Administration's policy.

Some experts agreed with Mr. Baker. "We will get much better results if we include the Soviets rather than

excluding them," said Michael McGwire, a military analyst at the Brookings Institution. He rejected the fear that the Russians have historically pushed south toward warm-water ports in the Persian Gulf and dismissed their navy as a factor. "The Soviets don't share our belief in the efficiency of naval power," he said.

Rarely have Soviet and American interests in a regional conflict been as parallel as in that region. Both countries favor an end to the war without conquest by either side, and both are particularly eager to avoid a victory by Iran, whose Islamic fundamentalism is regarded as threatening in Moscow as well as in Washington. The Russians have quietly supported an American resolution

in the United Nations Security Council calling for a cease-fire. But Moscow has also taken advantage of the activist American posture to woo Iran. Some experts think the United States is exposing itself to conflict with Iran while it insists that the Russians stand safely aside.

"This is an area which, both because of its dangers and because of the common interest, would offer some opportunity for joint activity," said Marshall D. Shulman, an adviser on Soviet affairs in the Carter Administration. "I don't think it's realistic for the United States to make it an objective to keep the Soviets out of the Gulf. There's no way in the world we could do that, even if we wanted to."

How Credit Helps Women in Bangladesh

A Bank Battles Poverty

By SETH MYDANS

RABEA stepped out of her dirt-floored house, stamped one bare foot on the ground and snapped a smart salute. Rabea is so poor that she cannot offer a visitor a chair or protect her children from rain leaking through her thatched roof. But she is a proud borrower at an innovative rural bank. Like nearly 300,000 other landless Bangladeshis, she has managed, without collateral, to borrow enough to start a small business and slowly advance her family's standard of living.

The salute reflects steps taken by the Grameen Bank to improve the outlook and habits of its mostly female borrowers and to achieve what it maintains is an extraordinary 98 percent rate of loan repayments. "Now that you are earning, you can stand up straight and look into people's eyes," the bank's founder, Mohammad Yunus, says. The bank also works to improve the nutrition, family planning, sanitation and literacy of borrowers.

All this is provided for within the bank's financing, which offers a new approach to problems that are endemic throughout Asia and the third world. The bank has attracted widespread attention; in Washington, for example, Congress is studying the possibility of tying some foreign aid to credit for the poor.

"We are not doing any favors. We are in business," Mr. Yunus said, noting that healthy, literate borrowers, not burdened by a large family, are better credit risks. "The entry point is credit," added an aide, Muzammel Huq. "Development through credit can be done without any cost to the Government. These people are borrowing at the commercial rate of 16 percent."

Despite their subordinate role in this Muslim society, 74 percent of Grameen borrowers are women. "Women are better clients in terms of repayment, and in terms of the objectives of the bank, the alleviation of poverty," Mr. Huq said. "We have found that poverty, hunger and disease are primarily women's issues."

In Bathomuri, a village 40 miles north of Dhaka, the capital, the bank has lent



The New York Times/Seth Mydans

Rabea in her village in Bangladesh, with a cow financed by a bank loan.

money to 575 people, two-thirds of them women. Last year, Rabea borrowed \$80, bought a cow and started selling milk. Her earnings made possible a \$85 family investment in a bicycle rickshaw, with which her two grown sons now make a living. When her loan is repaid, Rabea said, she plans to borrow again to improve her house.

The Grameen Bank grew out of an argument between Mr. Yunus, an economics professor on leave from Chittagong University, and bankers who said they could not do business with the 50 percent of Bangladeshis who are landless, the 80 percent who are illiterate or the more than 50 percent who are women. Started in 1979, the project has grown to 330 branches serving 6,000 villages. Owned 75 percent by its borrowers and 25 percent by the Government, Mr. Yunus said, the bank has made

a modest profit from the start. The average Grameen loan is for the equivalent of \$60. The smallest was for one dollar, to a woman who wanted to sell plastic bangles door-to-door. Borrowers have financed small-scale perfume making, bookbinding, peanut frying and the selling of matches, mirrors, bullocks and bananas. Mr. Yunus attributed the bank's success to the close contact between borrower and lender, peer pressure and the seriousness with which illiterate, poor people approach financial transactions.

Potential borrowers are organized in groups of five. All transactions, including the approval and the weekly repayment of one-year loans, take place at group meetings. A borrower who cannot meet a payment can seek help from the group. Bank representatives meet with borrowers every week in their home villages.

Young Intellectuals' Deep Grievances

Anti-Americanism Grows in South Korea

By NICHOLAS D. KRISTOF

SEUL, South Korea
A ROAR of approval reverberated among the hundreds of thousands of protesters on Thursday as a handful of young men dashed into the Seoul Plaza Hotel and pulled down an American flag. "Down With America," the crowd chanted a few minutes later as the flag was burned in the city's central square during what may have been the largest demonstration in South Korean history.

The ferocity of the anti-Americanism was striking, partly because American officials are still congratulating themselves for helping South Korea on the road to democracy. But if the United States sees itself as a warrior for freedom in Korea, that is not how it is seen here, at least by many of the young people who have led the push for democratic change. A number of them regard the United States as a longtime supporter of authoritarian rule and, with its large military presence, as an occupying power that tries to control the country's political and economic life.

Recent events have not changed that perception. If anything, the United States is criticized even more today than it was two weeks ago, when President Chun Doo Hwan, under a certain amount of American pressure, agreed to most opposition demands. Those included the promise of direct elections to choose the next President.

"We hate America," C. H. Yoon, a young businessman, said at last week's rally, which began as a march to mourn the death of a student who died last Sunday after being hit in the head by a tear-gas canister last month. Y. I. Hwan, a bank clerk, searched his English vocabulary for a better word. "We abhor America," he said. Nearby were signs reading "Expel the U.S.A." and a student was telling the crowd that only American spies would ever want to learn English. The bitterness has sometimes turned violent. Demonstrators knocked down a photographer for The Associated Press, because they assumed he was an American. It turned out that the man, who was wearing a gas mask, was Japanese.

Anti-Americanism is far from universal. Kim Dae Jung, the prominent opposition leader, lived in the United States during his exile and defends America. Many members of the middle class elite attended graduate school in the United States. But at Thursday's rally, it was not only leftist students but also housewives who chanted, "Down With America."

Almost no one here is thanking the United States for pushing the Government away from martial law and toward acceptance of the remarkable eight-point "democratization" package unveiled two weeks ago. The Government's supporters seem to resent the American pres-

sure for conciliation, while its foes find their nationalism inflamed by American interference—even if they agree with the cause.

"The U.S. should not interfere with the current Government, whether for or against democracy," said Kim Sung Nam, the 21-year-old student body president of Chonnam National University in the southern city of Kwangju.

The roots of the anti-Americanism are partly explained by demographic changes. This is a country in which 63 percent of the people are 30 or younger. Their view of the United States is shaped not by the memory of American help during the Korean War, but by Washington's long association with what many of the young people regard as the main enemy: their own Government.

In some student circles, a mythology has evolved in which the United States is the architect of all things sinister in South Korea. Some young people blame Americans for the continued separation of North and South Korea. A Catholic activist in Kwangju, who said he was involved in an arson attack on an American cultural center a couple of years ago, described his participation as an act of nationalism. Like many young people, he sees the 41,500 American troops here not as protectors but as occupiers. The Government has said that the students are Communists, although it has offered little evidence.

Memories of Kwangju

Anti-Americanism has grown enormously since 1980, when the United States was widely accused of complicity in a massacre of hundreds of opponents of the Government. While American officials conceded that they granted permission for Korean troops under nominal United States control to put down an insurrection in Kwangju, they said they pleaded for restraint. But there was no restraint and the "Kwangju incident" has shaded Korean politics and attitudes toward the United States ever since.

Economic squabbles have also played a role in fostering ill will. Washington's pressure on the country to lift trade barriers to American goods and services—especially on agricultural products, which would hurt Korean farmers—is seen as confirmation of the argument that the United States treats South Korea like a colony. When Government officials grudgingly open up the Korean marketplace, it is seen as proof that they are pawns of American interests.

As South Korea's trade surplus grows, conflicts with the United States are likely to worsen, exacerbating the tensions. And the customary respect given in a Confucian society to education means that many people listen to young intellectuals, firebrands like D. Z. Ji, a theology student. "We are demonstrating for democracy," Mr. Ji said. "And we are trying to free the Korean peninsula from American imperialist influence."

The Nation

Bork Opponents: N.A.A.C.P., N.E.A. And Biden, Too

The nomination of Judge Robert H. Bork to the Supreme Court was gathering opposition last week. The National Association for the Advancement of Colored People and the National Education Association announced at their conventions that they would fight it, while liberal lobbying groups organized their mailing lists. And in a private meeting, Senator Joseph R. Biden Jr. of Delaware, the Judiciary Committee chairman and a candidate for the Democratic Presidential nomination, told civil rights leaders he would lead the battle against Judge Bork in the Senate.

Senator Biden's position, unofficial as yet, is an important shift, although he has been openly skeptical of Mr. Bork in recent weeks. Last fall, he told The Philadelphia Inquirer that if a well-qualified conservative like Judge Bork was named to the Court, "I'd have to vote for him, and if the groups tear me apart, that's the medicine I'll have to take." Mr. Bork's supporters were busy as well. The National Conservative Political Action Committee said it was planning a heavy direct-mail drive. President Reagan's spokesman, Marlin Fitzwater, complained that Senator Biden had "chosen to politicize the hearings." And Howard H. Baker Jr., the White House chief of staff, appealed to the N.A.A.C.P. members to give fair consideration to the nomination, which the group's executive director, Benjamin L. Hooks, had promised to fight "until hell freezes over."

The White House and some Senate Republicans also protested Mr. Biden's announcement that the committee's hearings would not begin until Sept. 15 — which almost assures that when the Court convenes Oct. 5, it will have eight members.

Chrysler Fined for Safety Violations

Just as Chrysler's chairman, Lee A. Iacocca, had finished apologizing for "dumb" and "unforgivable" behavior involving disconnected odometers, he had a new, potentially more serious problem to confront. Last week, the Occupational Safety and Health Administration fined his company more than \$1.5 million for 811 violations, including willfully exposing workers to lead and arsenic. (By "willful" the Federal agency meant that the company knew of the exposure problems but failed to correct them.) The penalty was believed to be the largest the Government has imposed for job and safety violations, although it was only a fraction of the \$1.4 billion in profits Chrysler earned in 1986.

As is common in regulatory cases, Chrysler agreed to pay the fine without actually admitting guilt. A company spokesman said it would improve monitoring of poisonous substances at its plant in Newark, Del., where the agency said the violations occurred.

Last month, Chrysler and two of its executives were indicted by a

system, rather than human error, as the primary cause of a collision near Los Angeles last summer that killed 82 people. On Thursday, two jets carrying about 180 passengers nearly collided over the Atlantic, southwest of Bermuda, because of what the F.A.A. said was a controller error.

The day before, almost 600 people were imperiled by a near-collision between two jets flying over the North Atlantic from London to the United States. This incident, however, was being attributed not to controllers but to one plane's crew, and the F.A.A. was investigating reports that the pilots discussed on the radio whether to cover up the transgression.

Door Opens Wider For Nicaraguans

It was a Nicaraguan woman whose case prompted the United States Supreme Court to vote in March to reject the Government's strict standard for granting asylum to aliens. Last week the Reagan Administration said it would ease the standard and delay deportation for all her countrymen in exile here.

The Court had found that under the 1980 Refugee Act, aliens wanting to remain in the United States need prove only a "well-founded fear" that they would be persecuted if returned to their home countries. In contrast, the Administration had required proof of a "clear probability" that they would be killed, tortured or imprisoned on account of their race, religion, nationality or political opinion. Under that standard, only a small percentage of asylum applications were granted, even to Nicaraguans fleeing the Sandinista Government that President Reagan frequently denounces.

Last week's order by Attorney General Edwin Meese 3d, which applies to an estimated 200,000 Nicaraguans, was the first announcement of a policy change on asylum since the Supreme Court ruling. Immigration lawyers had believed the ruling would help many more applicants, especially those from Central American allies of the United States, such as El Salvador and Guatemala. Under the 1980 law, however, asylum decisions are subject to the discretion of the Attorney General, and the Administration has long asserted that most exiles from those countries are fleeing disruption and poverty, not persecution.

Dealings Broke No Law, Meese Says

Attorney General Edwin Meese 3d said last week that he had broken no Federal ethics law in his financial dealings. Confident, at times combative, he told a Senate hearing on Government ethics that he knew from the start that his investment partner had "some connection" with the Wedtech Corporation, but that he "didn't pay much attention." There was "no conflict of interest," he said, in his partnership with W. Franklin Chinn, a consultant and director of Wedtech.

It was Mr. Meese's first public testimony about his involvement with Mr. Chinn and with Wedtech,

which won its first military contract with his help and whose former executives have pleaded guilty to theft and bribery charges.

Earlier in the hearing, David H. Martin, the director of the Office of Government Ethics, said Mr. Meese had still not fully complied with requirements for full disclosure of personal finances. Mr. Martin said he had taken no action so as not to interfere in a criminal investigation by a special prosecutor, James McKay, into Wedtech's influence on Government officials.

Among other problems, Mr. Martin said, Mr. Meese had misrepresented the nature of the largest holding listed in his 1985 disclosure form — his investment of a little more than \$50,000 with Mr. Chinn. On Monday, lawyers for Mr. Meese released an analysis showing that over 19 months, before fees and expenses, that investment earned nearly \$40,000 in trading profits, mostly on one-day speculative stock trades.

Martha A. Miles and Caroline Rand Herroon



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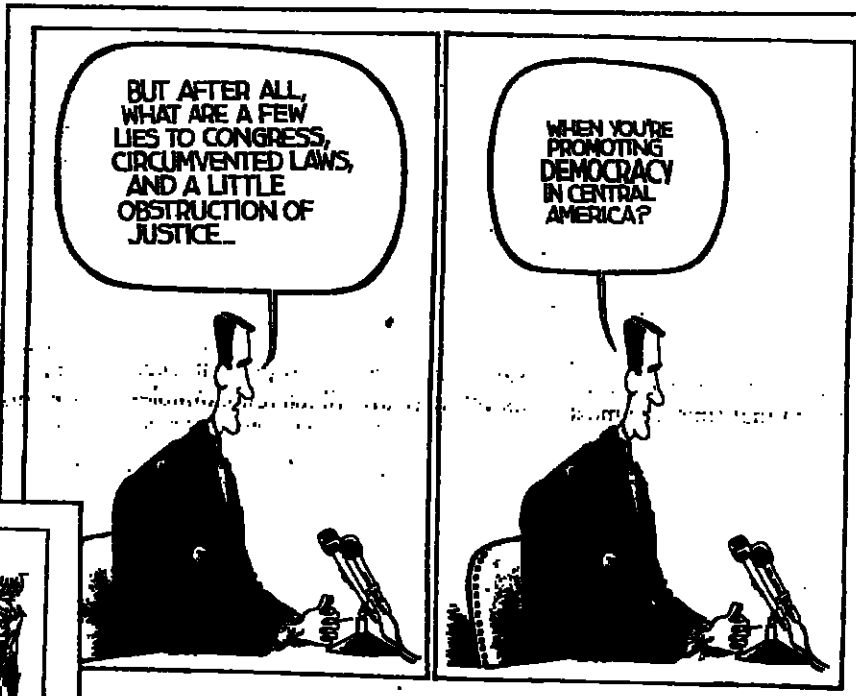
A portfolio from around the nation



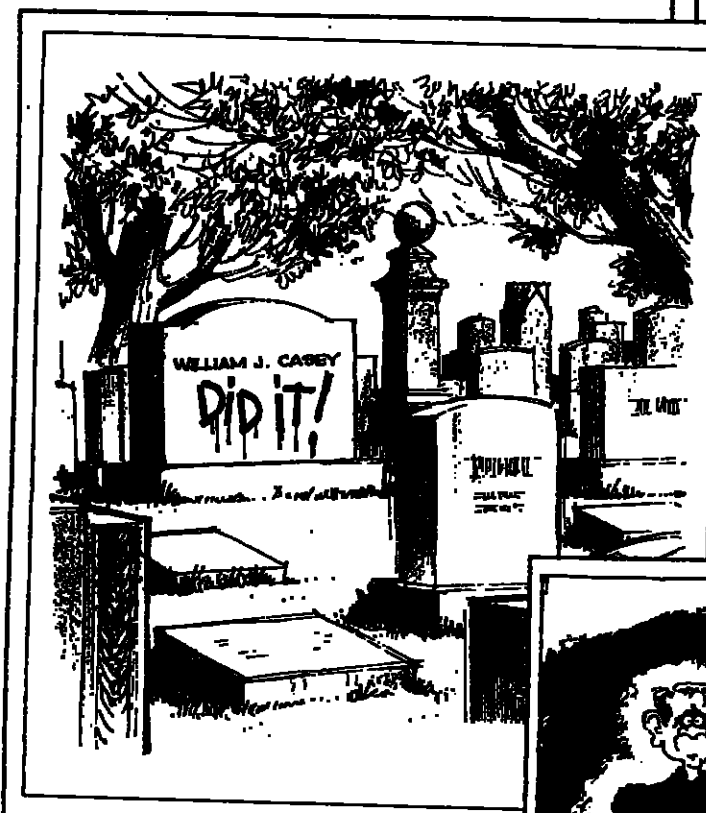
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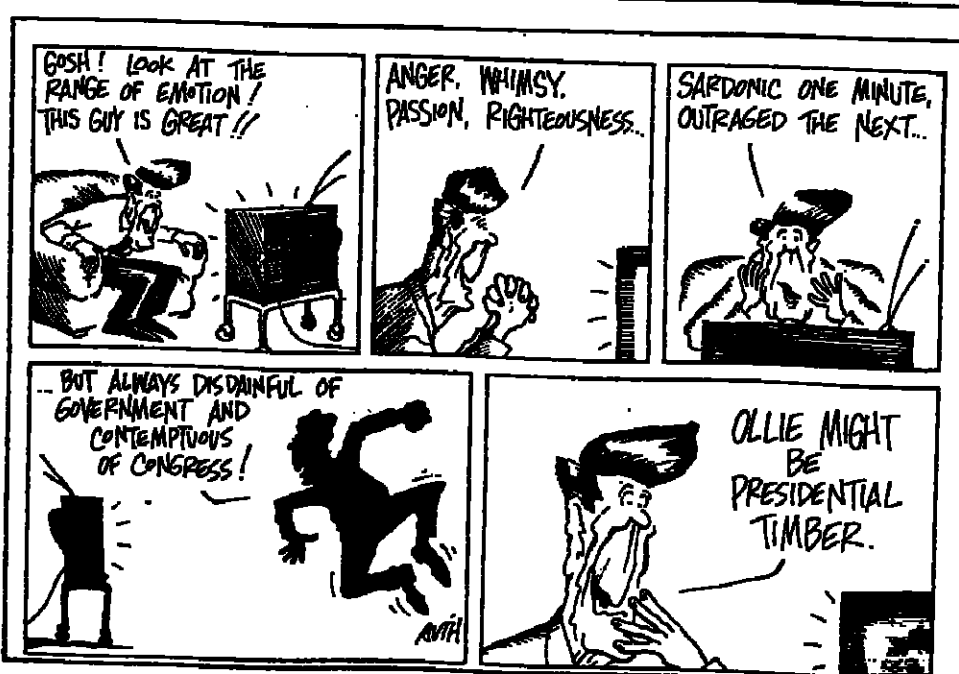
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Attorney General Edwin Meese 3d testifying on his ethics.

Federal grand jury in St. Louis on charges of selling 60,000 cars as new after company managers had driven them with their odometers disengaged.

Two Close Calls For Air Travelers

In May, looking apprehensively to the busy season, the National Transportation Safety Board warned of an apparent "erosion of safety" in the air traffic control system and a growing number of near-collisions.

Last week, the board's chairman, Jim Burnett, told a Senate transportation subcommittee that errors by controllers had increased 50 percent in June from the previous year. The Federal Aviation Administration, which operates the control system, reported that errors for the first half of the year had increased 20 percent.

The announcements could hardly have come during a more harrowing week. On Tuesday, the safety board issued a report blaming the control

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Arts & Leisure

The Magic of 'Snow White' Is Undimmed

By JOHN CULHANE

Before Steven Spielberg and George Lucas, before "The Wizard of Oz," before all other animated cartoon features, there was Walt Disney's "Snow White and the Seven Dwarfs."

The return of this 50-year-old film to New York on Friday for the premiere engagement of its seventh and "Golden Anniversary" reissue prompts a consideration of the revolutionary effect that "Snow White and the Seven Dwarfs" had in its first release — on the film industry, on the moviegoing public all over the world and on some of the greatest artists of the 20th century — an effect that has been largely forgotten as the film has gradually been taken for granted as that most respectable of commodities, a classic.

In 1934, when Disney announced his intention of making the first feature-length animated cartoon — perhaps costing as much as \$250,000 — his sincerest well-wishers told him he was crazy. In the first place, there was a Hollywood truism that fantasies were failures at the box office. In the second place, the public wouldn't sit through so long a cartoon. In the third place, an adult audience wouldn't even go to see a fairy tale. And in the fourth place, the juvenile audience wasn't large enough to pay for the cost of production.

Disney, who always said that self-confidence was the most important element of success, listened politely and made the feature anyway — at a final cost of \$1.5 million in mostly borrowed dollars. "Snow White and the Seven Dwarfs" had its premiere in Hollywood on Dec. 21, 1937, and promptly grossed \$8 million in its first release — at that time, the most money a film had ever made. It played in 41 countries and soon had soundtracks in 10 different languages.

On Friday, it will open simultaneously in 60 countries around the globe, including the Soviet Union and the People's Republic of China. There is no place where it is not already known and loved. By now, it has

grossed about \$330 million worldwide — so it remains one of the most popular films ever made. People from Brooklyn to Bangkok can still recite the names of the seven dwarfs in the Disney version (they didn't have names in the original fairy tale as written down in the last century by the Brothers Grimm).

Seven years after the premiere, in an article for Film Review in Britain, Michael Powell, having just written and directed the but still three years away from "The Red Shoes," called Disney "one of the three persons necessary to the evolution of film making — Griffith, the master showman; Chaplin, the lonely genius; Disney, the experimenter and planner; the director of the future will partake of all of them; without them he could not exist, whether he ever heard of them or not."

Mr. Powell tried to sum up what Disney had done with "Snow White": "At one stride, with this feature-length cartoon in color, for making which he had been ridiculed, Disney became one of the world's greatest film producers. Few of them realized it; few of them realize it now, seven years later, such is the momentum of film production. Yet, in 'Snow White,' Disney abolished naturalism, established stylistic settings and backgrounds (echoed recently in Laurence Olivier's 'Henry V'), controlled his design of color and sound (a feat not yet in the power of any other producer) and held audiences enraptured all over the world."

Unlike some films, whose greatness is recognized only in retrospect, the brilliance of "Snow White" was appreciated at once by some of the greatest of film makers. In the Soviet Union, Sergei Eisenstein, who was directing "Alexander Nevsky" when he saw "Snow White," wrote: "Although as yet there are all too few examples of the true cinematography of sound-and-sight consonance (only a few scenes, for instance in Disney's wonderful 'Snow White' or individual scenes from 'Alexander Nevsky,' such as the 'Attack of the Knights'), advanced cinema directors are engaged in the problem of spectacle synthesis, experimenting in this field and accumulating a certain amount



Snow White with the forest friends whose depiction was praised by critics



Walt Disney looks over models of seven of the stars of his film.

of experience." After the Hollywood premiere of "Snow White," Charlie Chaplin, who was present, told The Los Angeles Times that the film "even surpassed our high expectations. In 'Dwarf Dopey,' Disney has created one of the greatest comedians of all time." "Snow White" had its New York premiere at Radio City Music Hall on Jan. 13, 1938, three weeks after its Los Angeles sensation. "It is a classic," wrote Frank S. Nugent, the film critic of The New York Times, "as important cinematically as 'The Birth of a Nation' or the birth of Mickey

Mouse." The next-to-last line of his review is still frequently quoted: "If you miss it, you'll be missing the 10 best pictures of 1938."

Such comments were echoed by both critics and the public around the

world. As "Blanche Neige et les Sept Nains," it ran an astounding 31 weeks in Paris; as "Schneewittchen und die Sieben Dwarze" it was a smash hit in Hitler's Germany; Italians spoke of "L'esplosivo successo di Biancaneve

e i sette nani."

By the time of "Snow White and the Seven Dwarfs," Disney knew precisely how to take audiences within the magic bounds of his enchanted worlds, and the ways were also seven: story, design, sound, direction, animation, backgrounds and color.

The design of "Snow White," for example, influenced directors as disparate as Orson Welles and Federico Fellini.

For critics attuned to the actual motion in motion pictures, such as Otis Ferguson of The New Republic, it was the animation — "the sequence of motion and fact which made the emotion," in Hemingway's phrase — that was the greatness of the film.

"The Disney artists and animators are practically zoological, nearer to the actual life of animals than any who have endowed it with human traits for the purposes of fable," wrote Mr. Ferguson. "Take the young deer in the little scene where the forest life first gathers around Snow White: shy but sniffing forward, then as she starts to pat it, the head going down, ears back, the body shinking and tense, ready to bound clear; then reassurance, body and head coming up and forward to push against the hand — half a dozen motions shrewdly carried over from the common cat."

The score of "Snow White," by Frank Churchill and Larry Morey, Paul J. Smith and Leigh Harline, brought sound-and-sight consonance to a new degree of perfection. In 1939, Lewis Jacobs, in the history "The Rise of the American Film," wrote that "basic musical themes are identified with each of the characters. Snow White and the Prince have their own variations of love ballads; each of the dwarfs has his own musical motif; even the turtle has an identification theme in a plodding, grave movement. The envious, wicked Queen is announced by a sinister motif. Sequences as well have their particular melodic accompaniments: the mirror scenes, a mysterious of eerie quality; the plotting and witch's brew episode, a grim tonal foreboding, which developed into a dramatic furioso that hurled the Queen over the precipice in a hurricane of sound."

In 1944, the songs from "Snow White and the Seven Dwarfs" were released by RCA Victor on the first record album ever to contain the original soundtrack of a film. Moreover, a symphonic arrangement of the Snow White songs is still played today by the Boston Pops. Fittingly, the conductor is John Williams, who also conducts his own symphonic scores for such film fantasies as "E.T." and the "Star Wars" trilogy.

Only Ankle Deep In Screen Adventure

Beneath the rolling surface of some of the current crop of supposedly exciting movies lies nothing at all.

By JANET MASLIN

Sometimes even films about adventure, about discovery, about wondrous technological triumphs have a way of seeming small. It's a function of the particular universe that is being explored. If that universe is effectively no larger than, say, a suburban backyard, there isn't much to be unearthed no matter how energetic the digging. A film about a wild, mysterious creature from parts unknown cannot have much magic if all the creature (Harry) wants is to go home with an all-American family (the Hendersons), raid the refrigerator and lounge in the easy chair.

Since so many of today's adventure films are aimed at younger and more suggestible segments of the audience, and since so many of the adventures themselves are essentially about nothing, there is often reason to wonder what really is being conveyed. Whatever message "Harry and the Hendersons" means to get across — that Bigfoot need to be loved? — that they're just like you and me? — it communicates a terrible flimsiness about the Hendersons and their lives. Parts of the Henderson house actually fall off when Harry knocks into them, and this is presented as pure fun. If anything, it's chilling.

Like the current "Adventures in Babysitting" and "Innerspace," "Harry and the Hendersons" is directed in a punchy, exclamatory, neo-Spielbergian style by a director, William Dear, who has spent time under

Mr. Spielberg's wing. A few of these protégés — most notably Robert Zemeckis, director of "Back to the Future" — have used the wry fondness for middle American life and the vigorous, emphatic camera movements that are Mr. Spielberg's trademarks and made them part of something new. But too often, these films' persistent pep, sitcom settings and enthusiastically far-fetched premises are all they have to offer. Scratch the surface of this much senseless activity and there may be nothing underneath.

Nothing, that is, except the spectacle of film makers scrambling frantically to the head of the class. When a director and screenwriter crowd in as many different kinds of calamities as Chris Columbus and David Simkins have in "Adventures in Babysitting," they seem more intent on wowing each other, or potential employers, than on wooing the viewer. "Adventures in Babysitting" is crammed to its very rafters. It tells of gangsters, derelicts, thieves, fraternity boys and blues musicians, all of whom pay a disproportionate amount of attention to the nice, well-heeled suburban white kids at the center of the story. In following these kids on their bold journey into downtown Chicago, the film flips through so many different kinds of adventure scenes that it seems more like a trailer, a catalogue, even a résumé than a story.

Perhaps it's this emphasis on speed and showiness that leads Mr. Columbus, who wrote the equally high-voltage "Gremlins," "The Goonies" and "Young Sherlock Holmes," to take the film's more latent content so lightly: When affluent white kids quake at the thought of inner-city life and then find all their prejudices comically reinforced, how funny is that, really? Would the all-black audience at a blues club really stop everything and demand that the white kids, who stumble inadvertently onto the club's stage, sing a little song?

To be fair, this scene is good-natured fun, the film's young stars are likable and at least "Adventures in Babysitting" is lively. But it's a narrow-minded romp about characters who are shallow and proud of it, char-

acters who may never venture any farther from what's safe and familiar than they do during this story. It's hard to see how exploits this tame can be called, even ironically, "adventures" at all.

Notwithstanding its story about miniaturization, "Innerspace" isn't quite this small. Its leading man, as played by Dennis Quaid, is just raucous enough to pass for a grown-up with personality. As the innocent bystander into whose body the micro-sized Mr. Quaid is injected, Martin Short displays real sweetness and comic style. And the premise is intriguing: We've seen tiny travelers sailing through the human body before (in "Fantastic Voyage"), but they haven't enjoyed the close, companionable relationship Mr. Short forms with Mr. Quaid who, through the use of various high-tech devices, is able to converse with him. In one scene, Mr. Quaid even persuades Mr. Short to down some liquor so they can amicably share a drink.

"Innerspace" would appeal more completely to the amateur scientist in each of us if it were content to stick to this two-man experiment and the havoc it creates. Certainly the possibilities are endless, and the representations of Mr. Short's innards exert a great fascination. In fact, making his character a confirmed hypochondriac is one of the screenplay's wittier touches.

But "Innerspace" doesn't have the confidence to keep things simple or leave well enough alone. It throws in industrial spies, a Middle Eastern operative dealing in stolen technology, a supermarket staff and a beautiful reporter who gives the two heroes something in common. All of this has the effect not of amplifying the basic story but of smothering it. The action that takes place inside Mr. Short is finally much more far-reaching than the standard chases and other, more conventionally ambitious escapades that occur around him.

Real adventure, despite the implied lessons of films like these, doesn't always mean bigger, faster or more flamboyant events. Sometimes it just means sidestepping the familiar and facing up to the unknown.

Word Play

BY LOUIS SABIN/Puzzles Edited by Eugene T. Maleska

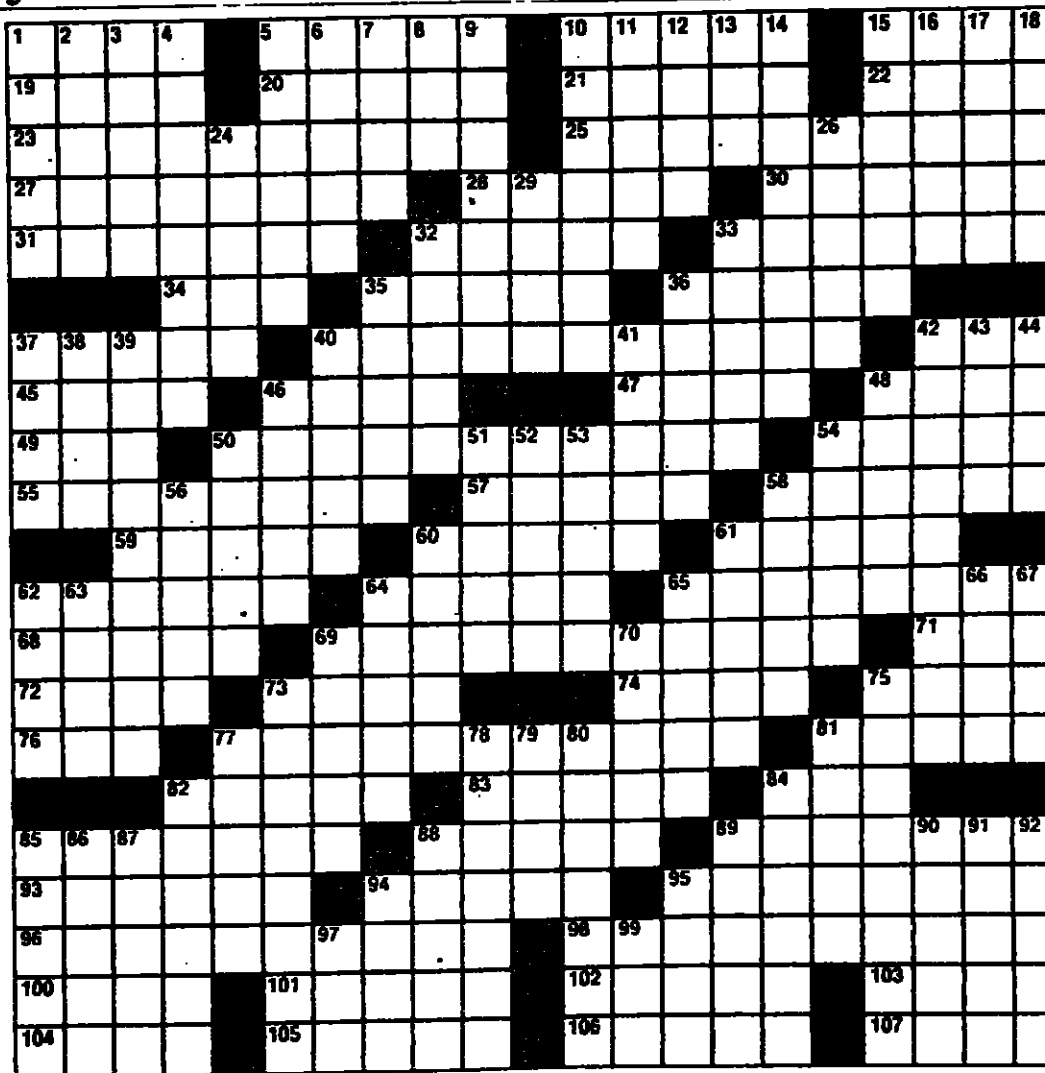
ACROSS

- 1 John Irving protagonist
- 5 To the matter in hand
- 10 Gave kudos
- 15 Legs, to Ruyon
- 19 Shielded, in a way
- 20 Urbane
- 21 An official under Nero
- 22 — Islands, off New Guinea
- 23 "Minute Waltz" et al.?
- 25 Support Bacon?
- 27 Estimate too highly
- 28 Courage
- 30 "Lucretia" painter
- 31 Keeps
- 32 Regal topper
- 33 Knight's superior
- 34 Chew the rag
- 35 Polypheme
- 36 Paradigm
- 37 Foreword
- 40 Equipped for spelunking?
- 42 Dandy
- 45 Electrical units
- 46 Except
- 47 — P., Dickens character
- 48 Moto matter
- 49 Roulette play
- 50 Like Old Glory with 48 stars?

- 54 "Dancin'" director
- 55 Game for masked players?
- 57 Judicial writ
- 58 Walkiki acquisition
- 59 Tabasco ta-ta
- 60 Canary's cousin
- 61 Deserve
- 62 Early Greek poet
- 64 To the point
- 65 Detroit lobby leader?
- 68 Austen clergyman
- 69 Marjorie at dawn?
- 71 Past
- 72 Help escapees
- 73 Mike Tyson's milieu
- 74 Matrimony, e.g.
- 75 Skim along easily
- 76 Duffer's delight
- 77 Sajak and White?
- 81 Made bread
- 82 Broncobusting medium
- 83 Stretched-out canal?

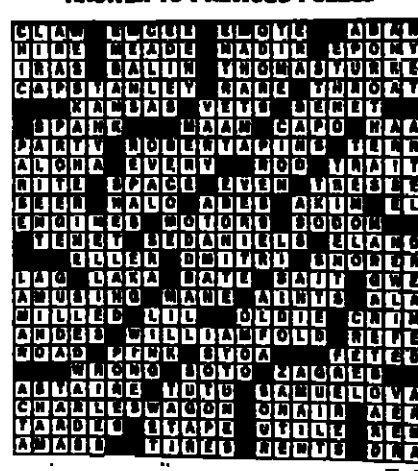
DOWN

- 1 Fla.'s — Bowl
- 2 Vibrant
- 3 Sat again
- 4 Nobleman grows old?
- 5 Tai and Lai



- 6 La Scala highlights
- 7 Steeplechase
- 8 Anne Baxter role
- 9 Handel opus
- 10 Renaissance
- 11 Turkish city on the Seyhan
- 12 Kind of squad
- 13 Lodge brother
- 14 Lowered the class curve on a test?
- 15 Frisk
- 16 Singer Kay
- 17 Clement or Marianne
- 18 French body
- 24 Troy's last king
- 26 Broadcast
- 29 Fight for breath
- 32 Lion's Ivy rival
- 33 Portended
- 35 Yields
- 36 Conjurers
- 37 Elbow
- 38 Change the décor
- 39 Ancient school man?
- 40 Fills the hold
- 41 Consumed
- 42 Cheetah's trail?
- 43 Pelion's base in a saying
- 44 Hammer part
- 46 Hair net
- 48 Like a dunce cap
- 50 Marriage
- 51 Boat section
- 52 Ankles
- 53 Peregrine
- 54 This is crazy
- 56 Dostoyevsky's "The —"
- 58 Bristlike parts
- 60 Suit fabric
- 61 Snarleyyows
- 62 Jalopy
- 63 Napoleon slept here
- 64 Scout's rider
- 65 Coward's "To Step —"
- 66 Chills and fever
- 67 "The Seventh Veil" star
- 69 Carpenter's joint
- 70 Silo contents
- 73 Soviet seaweed?
- 75 Gluts
- 77 Having rounded projections
- 78 Concerning reputations?
- 79 Get wind of
- 80 Sudan neighbor
- 81 Maniples
- 82 Bridge goof
- 84 Overlay
- 85 Flavor producer
- 86 Aviator Balbo
- 87 Saps
- 88 Jampan
- 89 Serum-toting dog
- 90 Plumbing tool
- 91 Chamber group
- 92 Essentials
- 94 Roads scholar
- 95 — accompli
- 97 Polo Grounds hero
- 98 Sextet in "Little Nellie Kelly"

ANSWER TO PREVIOUS PUZZLE



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Rogue Colonel? Rogue Government

At one point during his week of testifying before America, Lieut. Col. Oliver North held his left hand aloft as if to pledge "scout's honor." The gesture typified the performance. Indeed, for a time it seemed that the dazzling political theater would obscure the content of the Iran-contra scandal. Viewers swamped the joint investigating committee with entreaties not to rough up this articulate Eagle Scout-turned-Marine.

According to a New York Times/CBS News Poll, he's no hero to three out of four Americans. But Oliver North has acquitted himself in the court of public opinion of the charge, leveled even by the President's men, that he was a rogue elephant, making disastrous high policy without authorization. In doing so, he has indicted the Administration for rogue behavior.

For all Colonel North's fervent loyalty to the President, the public seems to understand that he could not and would not have undertaken so vast an operation without higher authority. Only one in four Americans believes Mr. Reagan when he claims he didn't know about the diversion of Iran arms profits to the contras. Only one in four thinks Ollie North acted on his own.

And when it came to the President's men, the colonel was not so reticent in his testimony. The witness told of how Secretary of State Shultz clapped an arm of praise around his shoulder, and the colonel dropped the names of mid-level officials who helped him and sought his help. Did Elliott Abrams, Assistant Secretary of State for Inter-American Affairs, question him about contra involvement? "He didn't have to ask me," Colonel North spoke of

meeting with officials like Assistant Secretary of Defense Richard Armitage and Alan Fiers of the C.I.A. Some helped, some acquiesced.

Other adventures that once seemed the antics of a loose cannon have a new look about them. On a mission to Teheran, Colonel North and private arms merchants made wild representations about American intentions to go to war with the Soviet Union, to eliminate Iraq's chief of state, to create a Marshall Plan for terrorist Iran. The colonel cited authorization from his boss, Rear Adm. John Poindexter, the former national security adviser, who may have more to say about this when he testifies next week.

The testimony emphasized a large fact that should have been obvious from the very scope of the Iran-contra operation: It couldn't have been conducted by a rogue officer, even one in the White House. It required the participation of a rogue government.

Having invented the web of rogue government for one purpose, the participants then moved to institutionalize it. The scariest proposal that emerges from Colonel North's testimony is an idea warmly embraced by the late C.I.A. Director William Casey: for a permanent slush fund to pay for trouble-shooting outside of C.I.A. channels. None of that inconvenient Congressional supervision to contend with. Small wonder that Mr. Casey thought this notion was just as "neat" as the initial Iran-contra diversion.

Ollie North, good soldier, was so beguiling that it was easy to forget that a special prosecutor is drawing up charges. But he's not so good a soldier that he'll take the rap alone. The week started as Oliver's Story. It ended as All the President's Men.

The Promise of a Global Farm Fix

While Congress backs into a policy of protecting failing industries, Reagan Administration officials are pursuing constructive fixes for America's trade woes. The President offers a plan for restoring trade leadership for America's largest and most efficient industry: agriculture.

The bold proposal is to eliminate all barriers to trade in farm products by the year 2000 and it won't be an easy sell, here or abroad. But it is the one trade initiative that promises an enormous payoff for both American producers and consumers.

The plan, offered to negotiators in Geneva, would allow income assistance to rural families as long as the aid did not create incentives for greater harvests. Aid for the poor, like food stamps and Food for Peace, would also continue. But all other programs affecting supply and demand, everything from price supports to guaranteed credit, would phase out within a decade.

In Japan, where farmers receive three to five times the world price for rice, wheat and beef, would be able to stay in business. But actual hardship would be rare. Farming is part-time work for the great majority of Japanese in rural areas.

European farmers would suffer a much harder blow. They don't enjoy as much protection as their Japanese counterparts but there are a lot more of them, and the social displacement would be far greater. Still, these prospective costs would be more than offset by spectacular savings. European taxpayers currently pay \$26 billion in crop subsidies,

while consumers cough up \$40 billion in above-market prices for food.

Winners, from unfettered, unsubsidized trade would also include efficient food producers in Australia, Argentina and Brazil. But the biggest winner of all would be the United States. American taxpayers pay more in subsidies today than farmers get to keep as income. But unlike the heavily subsidized Japanese and Europeans, all that farmers really need to prosper is open markets.

America is the world's most efficient producer of grains and the largest exporter. If Europe and Japan eliminated farm subsidies and became substantial food importers, prices for wheat, rice, sugar, poultry and dairy products would rise — and much of the additional revenue would go to American farmers. That would more than cover their loss of \$30 billion in Government aid.

Governments, to be sure, have never found it attractive to take on farm lobbies in the general interest, including the interest of world trade. But what appeared to be an impossible task a few years ago looks less so today. And no wonder: as technology permits individual farmers to substitute capital for labor, the cost of preserving their absolute right to remain on the land has ballooned. According to the World Bank it is approaching \$100 billion a year. When will industrial societies run out of the patience, and the money, to indulge such costly pastoral romance?

The Stars Below

The middle-aged couple, sweltering through a night at the beach when the heat wouldn't stop, decided to go for a swim. Why not? They would hardly be missed by children and old folks long asleep. They put on bathing suits and slipped out onto the beach, sloopy and cool at low tide.

Plunging in, they were teen-agers again, racing to the deep water, then lolling on their backs to gaze at the stars. In fact, the stars were less than spectacular this hazy night. No matter, she pointed out, for there were startling stars floating in the water, too.

She was right. Raking a hand across the surface, he watched hundreds of light specks ignite in the turbulence. He had heard about this marine

phosphorescence: tiny single-celled organisms known as noctiluca that glow like fireflies in agitated water. In Puerto Rico, such creatures so densely populate one bay that passing boats trace bright wakes and swimming fish leave glittery underwater trails. The display in Long Island Sound this night offered a more delicate display, but no less magical.

Later, he read up on the phenomenon. The luminescence occurs as the accidental byproduct of chemical reactions that occur under nervous stimulation. It serves no more purpose, in other words, than a bluish of amoebic anxiety — perhaps the delicious kind of anxiety the couple felt as, dripping and refreshed, they tiptoed into the slumbering house.

A Shield, Needlessly Dented

Most judges observe a simple rule when interpreting a law: If it's clear on its face, don't dig into its history looking for some more subtle meaning. New York enacted such a statute in 1970, the first state law in the nation shielding journalists, their notes and unused film footage from prosecutors' subpoenas. In simple language the law prohibits holding news gatherers in contempt for refusing to disclose "any news or the source of any news." That, alas, seems too simple for the Court of Appeals.

The state's highest court has ruled, 4 to 3, that the law protects only information gathered under a pledge of confidentiality. Yet nowhere in the statute is the idea of confidentiality stated or implied. How does the court arrive at this odd result? By historical digging. It seems that the state's four intermediate courts all read the word "confidential" into the law. Then in 1981 the Legislature amended the law without adopting a proposal to overturn those rulings.

According to Judge Fritz Alexander's majority opinion, the 1981 Legislature, by refusing to repudiate the intermediate court rulings, endorsed them. He said courts should not now substitute their judgment for the Legisla-

Topics of The Times

Making Safer Sex Safer

Much to its credit, the Food and Drug Administration is taking condoms seriously. The agency has embarked on a campaign of increased inspection and testing. Since April it has intercepted 15 shipments of defective condoms from Korea and four from Malaysia, and has sent letters to U.S. manufacturers asking them to focus attention on quality control.

The F.D.A.'s simple testing procedure is designed to reveal small, often invisible perforations that could elude consumers. Several U.S. manufacturers have been induced to recall lots that recently failed inspections.

Keeping defective condoms off store shelves was important when the main risk was unwanted pregnancy. Now that condoms have emerged as a principal weapon in the fight against the spread of AIDS, the F.D.A.'s vigilance takes on new importance.

Letters

What Is to Be Done About the Bork Nomination

To the Editor:

In 1963, Robert H. Bork, then a professor of law, took a stand on the proposed Civil Rights Act of 1964, which required businesses to serve customers without regard to race. In an Aug. 31, 1963, article in *The New Republic*, he vigorously attacked the act, arguing that it threatened "a loss in a vital area of personal liberty." He described it as a dangerous law, "by which the morals of the majority are self-righteously imposed upon a minority." Mr. Bork's protected "minority" consisted of those who practiced racial discrimination, rather than those who were its victims.

In 1984, in *Dronenburg v. Zech*, Judge Bork of the United States Court of Appeals for the District of Columbia took a stand against another oppressed minority. Laws or regulations that impose public morality, he argued in upholding a Navy regulation discriminating against homosexuals, "come before us not as suspect because majoritarian, but as conclusively valid for that very reason."

Perhaps between 1963 and 1984 Robert Bork shifted his stance on legislating morality. More frightening, and more likely, his view of moral legislation varies according to the ends of such legislation. When legislation assists an oppressed minority, he opposes it; when it subjugates such a minority, he approves. This bare animus toward racial and sexual-preference minorities has no place in American jurisprudence and certainly deserves no place on the United States Supreme Court.

STEVEN M. HABER
New Haven, July 5, 1987

Conservatives, Wake!

To the Editor:

The nomination of Judge Bork to the Supreme Court will, it is to be hoped, remind all those who applaud the Reagan revolution that the revolution is not over but needs reinforcement. The fight to come will give needed impetus to those whose conservative intellectual stamina may have gotten flabby these last few years. It will be a good workout for the 1988 election.

TED LEVINSON
New York, July 3, 1987

Liberals, Wake!

To the Editor:

If Senator Edward M. Kennedy's language on the Bork nomination is strong ("Kennedy and Bork," James Reston's column, July 5), perhaps it's necessary to arouse the American people from seven years of somnambulism. An Administration that has recommended ketchup as a vegetable for school lunch programs, endorsed Government funds for segregated schools and now finds itself up to its neck in corruption doesn't deserve applause for its attempt to alter the ideological balance of the Supreme Court.

PAUL KEELLOGG
New York, July 5, 1987

Political Creationism

To the Editor:

"Judge Bork, the Senate and Politics" (editorial, July 2) is an effective message to the Senate, particularly on the importance that should be

placed on the 1988 election results. As the inquiry about Robert H. Bork begins, two aspects of his record require special scrutiny.

First, he has argued that "original intent is the only legitimate basis for constitutional decision." This now familiar claim masks a type of literalism that is most popular among biblical inerrantists. The inherent arrogance of this insistence on seeking the "true meaning" of the original is quickly manifest because such claimants consistently couple their approach with assurances that they alone possess knowledge of that original intent.

Like Fundamentalists who confidently preach their dogma against the backdrop of "the Bible says," people like Judge Bork and Attorney General Edwin Meese 3d create an original intent to fit their political philosophy. Even as a Pat Robertson or a Jerry Falwell claims the mantle of the divine to provide the "correct" interpretation of the Bible, so their political counterparts presume enlightenment from the framers. History is, to the contrary, not the private preserve of those who ultimately pay it the least respect.

And how do these self-defined authorities practice their craft? How can the White House be so smug about the intent of the framers in 1787, when in just the last year its lawyers busied themselves in a hopelessly flawed attempt to determine the original intent of the Boland Amendments. Even members of Congress can't agree among themselves on that intent. Historical inerrantism is as foolish for the Constitution as it is for the Bible. It can lead to a rigid political creationism that will foster an "experiment on our liberties."

Second, Judge Bork uses his premise on intent to remove protection of privacy from the Federal courts. This argument from silence respecting the Constitution recalls a major reason James Madison originally opposed the inclusion of a Bill of Rights. He wrote Jefferson in October 1788, "there is great reason to fear that a positive declaration of some of the most essential rights could not be obtained in the requisite latitude."

Madison feared an argument from silence that would restrict rights that were not listed or clearly defined. He used as his example the private right of conscience that might well be "narrowed much more" by "public definition." Madison ultimately supported the Bill of Rights because it would "counteract the impulses of interest and passion," but his earlier uneasiness is understood in light of the threats posed by a Bork confirmation both to the abortion decision *Roe v. Wade* and the right to privacy ruling in *Griswold v. Connecticut*.

Those who affirm a living, evolving republic and cherish an expansive view of human rights are buttressed by a principled Constitution. Such people are far more compatible with the ideas current in the Philadelphia of 1787 than are those who see the Constitution as a closed, inerrant mandate.

ROBERT S. ALLEY
Professor of Humanities
University of Richmond
Richmond, July 3, 1987

Under a Cloud

To the Editor:

The Senate should receive President Reagan's nomination of Robert Bork for the Supreme Court respectfully, but it should not confirm him, nor should it hold any hearings at the present time.

It would not be proper for the Senate to make a decision during this period while the cloud of grave government misconduct hangs over this President and his Administration. We may even see impeachment hearings developing soon.

There are joint Senate-House hearings looking into possible criminal charges which almost certainly reach the President himself; there is a special prosecutor (now called independent counsel) developing an investigation and considering indictments in relation to the legality of President Reagan's Iran-contra policy, and there is an independent counsel investigating specific criminal charges against Attorney General Edwin Meese 3d. These issues may all be decided by the Supreme Court in the near future.

At the same time, the Administration, in the voice of Mr. Meese, has initiated a tirade against the role of the independent counsel expressly instituted by Congress under the Ethics in Government Act in 1978.

It would be improper for a sitting President to appoint the Justice who might hear the cases concerning the charges against him or cases concerning the constitutionality of the appointment of a special prosecutor who is investigating the President's alleged criminal conduct.

The Senate should wait until all the charges of illegal misconduct in office have been cleared before beginning hearings on a Supreme Court nomination. It is the Senate's right and duty.

MARILYN CLEMENT
Executive Director
Center for Constitutional Rights
New York, July 2, 1987

Tampering With Art Is Hollywood's Art

To the Editor:

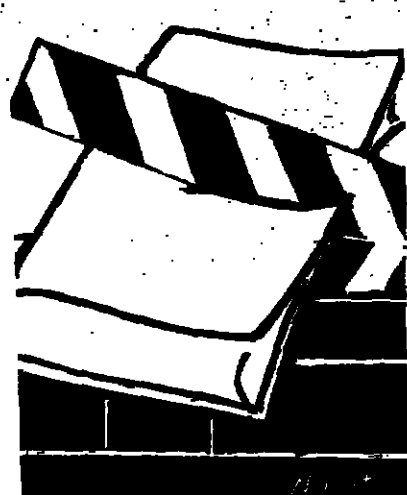
"The Colorization of Films Insults Artists and Society" by Woody Allen (Op-Ed, June 28) is thoughtful and well reasoned, and raises issues that Mr. Allen addresses in a forthright and convincing manner. I happen to agree with him; I think the colorized versions of films are washed out, uninteresting and dull. To tamper with these films is an affront to the men and women who conceived and created them. Yet, there is one aspect that bothers me a good deal and that no one seems willing to address. Or, if anyone has, I am unaware of it.

Any number of directors, film archivist-historians and film buffs in general are complaining about tampering with the director's original vision, with his art. The wicked colorizers, they say, are nothing but a bunch of guys trying to make a buck and are in the process destroying art. This is undoubtedly true, but what about the Hollywood moguls and directors who have destroyed other, equally valid art in making their motion pictures? What about the art of Faulkner, Hemingway, Fitzgerald, Dashiell Hammett, B. Traven and hundreds of other writers who have had their works butchered by movie makers because someone felt that to change this or that might make a given property more commercially viable or acceptable to the public or censors?

Why has no one complained about tampering with the art of the original writer? I suspect the main reason that might be given by the movie makers, if they were ever challenged, is that these writers were paid, usually well paid, for their work, and they have no further claim. I submit the same can be said of the directors; they were paid to make the movie. Usually very well paid. And now, someone else has the rights.

John Huston's name is invoked all the time when discussing this problem. He wrote the screenplays for both "The Maltese Falcon" and "The Treasure of the Sierra Madre." Did he consult with Hammett and Traven? I don't know about Hammett, but I doubt he tracked down Traven; nobody else was ever able to. If he changed any aspect of the writer's intent, he was as guilty of tampering as a kid coloring a frame of "Yankee Doodle Dandy."

It is wrong to deface anyone's art,



but before the directors continue their whining they should all get together and agree to cease defacing the work of other artists. Maybe then they would have a bit more respect for their side as they complain about the computers.

HANK O'NEAL
New York, June 29, 1987

Of Deals and Properties

To the Editor:

I dislike colorization, and I admire Woody Allen's work, but Mr. Allen misses the mark when he states: "No one should be able to alter an artist's work in any way whatsoever, for any reason, without the artist's consent."

An "artist" is not entitled to special rules. Any person's work belongs solely to that person only so long as he or she keeps it that way. As soon as that work is sold, given, hired out or whatever, the creator's rights are determined by the terms of the deal.

Mr. Allen's logic also fails him when he worries that someone might replace the "Gone With the Wind" score with rock music. It happens all the time, with Bach, Beethoven, the Beatles, etc. (I don't particularly care for Barbra Streisand's versions of Schubert lieder, but what she did with them diminished neither Streisand nor Schubert.)

I have been a fan of old movies for years (since I studied film history with Hans Richter in the 1940's), and I hope colorization dies quickly. But it really isn't very significant either way.

RAPHAEL YAVNEH
New York, June 29, 1987

Reason for a Residence For Secretary of State

To the Editor:

You quote Representative Daniel A. Mica as saying that my oven door is broken ("State Department: Chez Shultz, a Longing for a Stateful House," Washington Talk page, June 25). I want to be on record that my oven door is not, and never has been, broken. Mr. Mica apparently doesn't know that a hot oven (used to bake him a muffin) is cooled by leaving the door open. It is, however, a pretty old oven, and perhaps Mr. Mica's comment will lead my husband to buy me a new one.

But the more important point is that future Secretaries of State don't need a "stateful" house. What the taxpayers need is for Congress to allow some private person or group to give a house to the Government. Then the essential security and communications equipment could be installed just once. This would save us all some money. Under the present system, such equipment is put in and ripped out with each new Secretary, which is wasteful as well as hard on the houses themselves.

HELENA M. SHULTZ
Bethesda, Md., July 1, 1987

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

Priming the Jobs Pump

To the Editor:

To supplement "Enact Workfare That Works" (editorial, July 1) from my extensive experience with work programs of the 1930's, I would say that effective work and training programs, especially for the younger unemployed, can save society considerable money in the long run.

But in the short run, we found it necessary to increase the public investment dramatically to get results. This involved not only the work costs of the worker (good day care alone in New York City costs about \$4,000 a year per child), but substantial extra funds for competent supervision, training, and tools and equipment to create a product in which the worker would take pride. Workfare on the cheap would again be a source of disillusion for the public and bitterness for the worker.

ELIZABETH WICKENDEN
New York, July 2, 1987



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A Country, Not a Lament

By the end of the first day, a journalist visiting Israel again is convinced that things have become so complicated that he knows nothing anymore and that there are no solutions to anything.

By the end of the second day, he is convinced he knows too much. He is stuffed plump with facts and passionate opinions and has been offered at least two solutions to every problem facing not only Israel but the rest of the world.

That seems worth an appreciative word, something rather rare for Israel these days. After four decades of war and struggle, this still remains a country where people talk openly and freely, among themselves and to strangers.

Political freedom may be gaining in the rest of the world but has passed the Middle East by except for Israel. In the disputed West Bank, Arabs do not share in it. But there too it is taken for granted that Arabs who may be terrified about saying even a private word against the P.L.O. publicly, denounce the Israeli occupiers in speech and print.

Sometimes, Israel seems nothing but one big bag of troubles. Important visitors to Jerusalem clutch their heads in woe in the lobby of the King David Hotel and the clucking of foreign tongues is loud in the land.

The top leadership of the country is in a messy tangle. Foreign Minister Shimon Peres has gone over Prime Minister Yitzhak Shamir's head with a plan for an international peace conference. Their "unity" Government could fall any time. Meanwhile, inside Israel and out, the Government has lost what Israeli governments once cherished — a sense of dignity.

The embarrassing public feuding came after Israeli leaders involved their country in spying on the United States and the arms-to-Iran fiasco. Thus they bumbled away the valuable myth that Israelis are smarter than others.

All this on top of Israel's major problems — the antagonism of the Arab states that never lets her put down the gun, and the psychic and political burden of being an occupation force in the West Bank and Gaza.

But Israel is more than one big woe. It is a striving, functioning, free country and not doing all that bad, considering. Economically, it has beaten a 400 percent inflation rate would have wrecked the nation; now it is about 15 percent. Unemployment remains at about 4 percent and investment is increasing.

Politically, if the Government falls, the one that will replace it will be freely chosen and anyway nobody loves a two-headed camel.

Foreign Minister Peres's plan that may bring down the Government is

Israel: still striving, functioning.

for an international conference that is supposed to get peace talks started among Israel, Jordan and Palestinians. Moscow would be invited and the Peres assumption is that the Russians would not make trouble by taking the Arab side against Israel and the United States. If the Russians squeeze too hard, he says, he will go home. What will they do, send tanks after me, he asks, a thought that might interest Mr. Shamir.

Mr. Peres does not know whether he can deliver a cooperative Israel, let alone a cooperative Moscow. To find out and get the conference under way he would have to oust Mr. Shamir, which he regards as a bearable prospect. But even though he may never get his conference, he has made his Israeli opponents realize they had better come up with some ideas of their own instead of just standing pat. That counts as a piece of good news from Jerusalem.

Another: For a while it looked as if the religious zealots would legislate that no Jew was a Jew who did not match their own religious self-portrait. There was a noisy debate in which the chief zealot made his point by denouncing an opponent as an anti-Semite.

The move was beaten down, causing the chief zealot to be fiercely distraught. A bitter fight is part of Israel.

The other night Zubin Mehta, born in Bombay, led the Jews of his beloved Israeli Philharmonic in a crystalline performance of the long Eighth Symphony of Bruckner, a German. Nobody in the packed house stirred or coughed until Mr. Mehta gave permission.

That is part of Israel, too. A country. An American said over coffee that Israelis seemed ruder than she had expected. Mayor Teddy Kollek, who usually does not spare Israelis or their Government his tongue, answered gently that perhaps rudeness could be expected among people who had been in concentration camps, maybe it was even a survival trait.

Sometimes, on a soft night by the sea in Tel Aviv or walking in the flowered hills of Jerusalem, Israel seems wonderfully lithe and young. But sometimes wrinkles and worry do show, which might be expected of a country recently turned 38, going on 2,000.

By Raymond Price

A visitor from Mars — or from Europe — who tuned in the Iran-contra hearings might well wonder what on earth is going on here. What's the purpose? Why is the nation being put through this particular ringer by all these sanctimonious and solemn members of the House and Senate, with their hundreds of staff aides and lawyers and investigators

Raymond Price was a principal speechwriter for Richard M. Nixon throughout his Presidency, including the Watergate period.

and press-release writers, not to mention the armies of jostling reporters and cameramen and technicians and producers?

Is it really to find out what went wrong in the botched Iran initiative and in the use of funds from it to keep Nicaragua's democratic resistance alive? If anyone really believes that, I'll quote him a terrific price on the Brooklyn Bridge.

If Congress's real concern were to learn the facts, it would have had the inquiry conducted behind closed doors by a subcommittee. That's what you do if you're serious about substance. But if your aim is political theater and you think you may have the makings of a hit daytime soap opera, then you stage a TV spectacular.

They reflect opportunism and fear.

There are two answers to the question of why: opportunism and fear. Opportunism by the President's opponents in Congress, who see a vulnerability and are out to exploit it to the hilt; fear by the Administration itself and its Congressional supporters that if they show any less public enthusiasm than the Democrats for "get-

ting at the truth," whatever the cost, they will be pilloried by the heavy-breathing news media and die the political death of a thousand cameras.

The business of Congress is politics. In a television age, politics is public theater, and anything that can lure the cameras of every network to a Congressional hearing room, pre-empt regular programming and dominate the evening news is box office bonanza. Anyone who forgets these propositions risks missing the essence of the Iran-contra hearings.

Setting aside the entertainment value, what are we as a nation getting out of it?

We're getting the compromise of intelligence sources and methods. We're

In a TV age, politics is theater.

getting an international spectacle of America's characteristically obsessive capacity for self-immolation. We're getting dismay among friends and allies, and an object lesson for anyone who might be tempted to cooperate with us on sensitive matters on why it's lethally hazardous even to consider doing so. We're getting the distraction of already overburdened policy makers from their primary duties for months on end.

We're also getting a sapping of the President's — and therefore the nation's — ability to deal with real and immediate crises from the Persian Gulf to the trade wars, and with issues as crucial to the long-term future of the West as the defense of Europe and arms negotiations with the Soviet Union.

And if the left succeeds in torpedoing the Administration's efforts to keep the democratic resistance in Nicaragua alive, we risk the loss of Central America and an aggressively expanding Soviet foothold on the mainland of the Western Hemisphere.

It's no coincidence that the Iran-contra issue became a Congressional obsession almost the moment the Democrats regained control of the Senate in last year's elections.

Theatrical hearings designed to lay bare the sins of the executive branch occur when, and only when, one party controls Congress and another holds the White House. In recent decades, Congress has been essentially a Democratic fiefdom.

Thus, we have had such hearings in the Nixon and Ford Administrations (in the Ford years, a grandstanding Senate committee virtually destroyed the Central Intelligence Agency as an effective instrument of United States policy), and in the last two years of the Reagan Administration, but not in the Kennedy, Johnson or Carter Administrations.

Nor did we have them in the six Reagan years when the Democrats controlled only one house of Congress and still feared his political clout.

The purpose of the present exercise is to damage, and if possible destroy, another Republican President on the eve of a Presidential election. If this undermines the nation as well, that's the way the cookie crumbles. After all, politics is hardball.

However, as Lieut. Col. Oliver L. North correctly put it, "Ours is a nation at risk in a dangerous world." Our adversaries do not play by Marquis of Queensberry rules, nor do they routinely have their guts ripped open and spilled out on the table by

Congress is dismaying our allies and sapping Reagan's ability to deal with real crises.

Congressional committees determined that nothing shall ever be done in secret, or in private — except, of course, by Congress, which allows no intrusion on its own privacy except by its own consent.

In his statement summing up the first phase of the hearings, the chairman of the House Select Committee, Lee Hamilton, put as the first of his "several questions and concerns" that "our Government cannot function cloaked in secrecy."

Wrong, and if the chairman of a committee dealing with covert activities really believes this, we're in deep trouble.

In sensitive foreign policy matters, secrecy — another word for privacy — is the first essential. And unless covert actions can be carried out covertly, the United States will have one arm tied behind its back in a deadly serious struggle in that no-man's-land between peace and war.

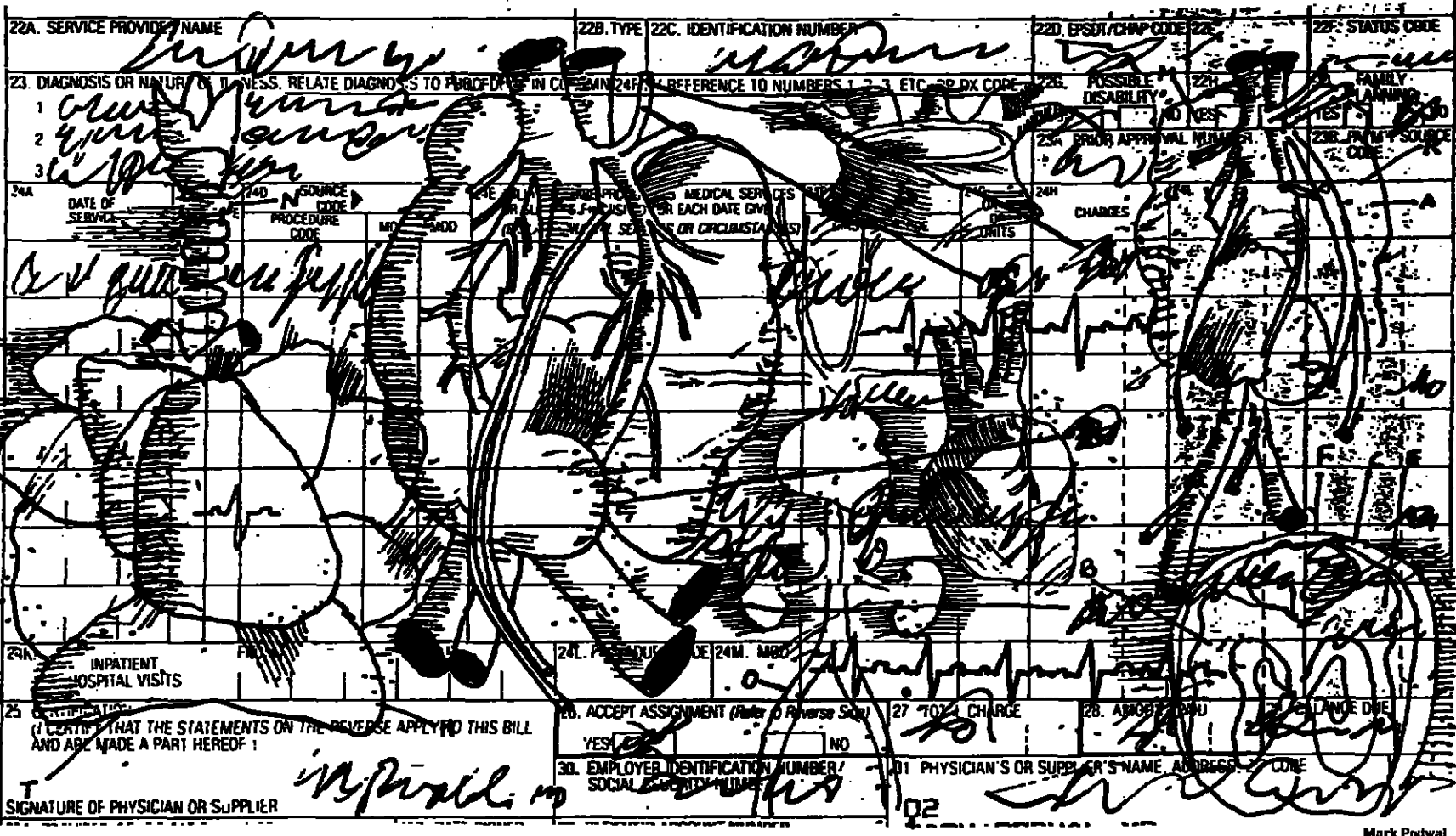
With Congress behaving the way it does, we need more shredders, not fewer. It's not just a matter of preventing "disclosure" of sensitive information. It's also a matter of preventing abuse and distortion — with armloads of documents whooshed up to Capitol Hill, sifted, sorted and then those tidbits that might be perfectly innocent in context but look appalling out of context selectively leaked to an eagerly waiting press. The process not only produces the intended political embarrassment; it also chills discussion, erodes trust, works immense personal hardship on innocent individuals and causes diplomatic havoc.

The rape of privacy serves the interests of the news media and titillates the curious, but it cripples even the most upright government.

The United States has got to learn to act like a great power. The world's future depends on it. The nation's safety depends on it. We cannot do this as a house divided and at war with itself.

As long as Congress keeps dragging us down into the muck of its own pettifogging quest for political advantage, we cannot and will not be able to act as the times require. It's as simple as that, and as serious as that.

Abolish Medicare, Broaden Medicaid



The Book Clubs, Chapter 2

The Literary Guild's new owners promise to shake up a sleepy business.

By WILLIAM GLABERSON

THE first suggestion of a sultry New York summer was already in the air when he arrived from Lisbon. But the youthful, elegantly dressed executive did not seem to notice. His mind was on other things: The takeover was complete; the family dynasty that had controlled the publishing empire for years had bowed out. Now, he was here to take charge of the key unit of the American company that had been won by the worldwide conglomerate. He knew he had a job to do.

It might have been the start of one of the romance and intrigue novels that have long been a staple of American book clubs. But this was real life and nobody knew that better than the elegant executive himself, Peter von Puttkamer.

Bertelsmann A.G., the German publishing giant, appointed him chief executive of the Literary Guild and Doubleday's other book clubs on May 1. Until then, Mr. von Puttkamer, a

will not be influenced by the doings of their only major book-club competitor. But a Bertelsmann Guild could have the clout — and the capital — to shake up the sleepy business. "The Book-of-the-Month Club is very much watching what Bertelsmann is going to do with the Literary Guild," said Jim P. Milliot, executive editor of BP Report, a book-publishing newsletter.

Bertelsmann dominates the book-club business worldwide, with clubs in Europe, South and Central America, Australia and Israel. With Doubleday's membership rolls and the Guild's name recognition, the book-club behemoth thinks it could turn the Doubleday business into a best seller.

Book clubs have faced some new pressures of late, and the Guild slipped. It did not react well to the challenge of growing discount book-store chains that often underprice the clubs on hit books. Guild membership declined and, Mr. von Puttkamer said, the company's marketing program was drifting. "There were some problems," he said. "If nothing had been done, they would have been serious. But, luckily, Doubleday got sold before that happened."

Mr. von Puttkamer said he was taking a broad look at the book clubs. He will borrow whatever he can from Bertelsmann's operations elsewhere. Doubleday is considering, for example, whether it can use its experience in Spanish-speaking countries, and perhaps some of its top-selling Spanish books, to tap the American Hispanic community.

Mr. von Puttkamer said he would also like to move the company toward different distribution channels, perhaps opening retail stores, as Bertelsmann has done in Europe. They would combine the price advantages of club membership with a larger selection and the opportunity for customers to browse.

Bertelsmann abandoned a door-to-door book-sales experiment in the United States five years ago. But the club's new chief said the operation may have been terminated prematurely. Such direct sales, which would be sharply different for American booksellers, are common among book clubs elsewhere in the world. Mr. von Puttkamer said a direct-sales program is likely.

"Ding-dong, Literary Guild calling" does not have much of a ring, but Mr. von Puttkamer, who spent five years in

marketing for Avon Products, which had the original "ding-dong" ad campaign, said his clubs' marketing techniques are likely to change radically within a year.

Doubleday is also re-examining the fundamental principle of the American book-club business: the "negative option" that requires members to take each cycle's "selection of the month" unless they notify the club that they do not want it.

EVER since the advertising man Harry Scherman set up the Book-of-the-Month Club in 1926, the American book-club business has followed Mr. Scherman's basic model. Doubleday's founder, Frank Nelson Doubleday, was so impressed with the new "invention" for selling books that in 1927 he set up his own version. A 60-year Hertz-and-Avis rivalry followed.

Most of the smaller American clubs do not approach the book-buying strength of the two leaders. Doubleday's half-dozen clubs include a small one that sells plays and the mass-membership Doubleday Book Club, which is heavily oriented toward romantic fiction. In all, Doubleday says, it has several million members. The Book-of-the-Month Club, which also has a series of smaller clubs, said its total membership increased to 2.4 million last year and that revenues were higher than ever.

The Book-of-the-Month Club's chairman, Al Silverman, acknowledged that negative-option sales are slipping and said the approach may be growing outdated. But, Mr. Silverman said, the country's best-known

IN SEARCH OF A GOOD READ

Phyllis Robinson pushes her way through the Manhattan crowds from her uptown apartment to her midtown office. She chats with co-workers the way office employees do everywhere, then settles in for a long day's work. She has to read a new novel by an undiscovered author. Tomorrow, it's a collection of letters, the next day a mystery.

The Book-of-the-Month Club pays Ms. Robinson to do what the rest of us keep wishing we had time for: She is a full-time reader. "When they come in with a new book and put it in here, it's like a surprise," she said. "It's like a treasure hunt."

Acquisition of new works is a critical part of the book-club business. At the Book-of-the-Month Club, half a dozen full-time readers earn about \$35,000 a year to help pore through more than 5,000 manuscripts in search of some 500 books the club offers members each year. Some books are read by staff personnel who have other editorial responsibilities. The club also has a network of 80 freelance readers who help sort through books months before publishing houses release them. Only a handful of the best manuscripts are passed on to the club's panel of judges to be possible books of the month.

Ms. Robinson, 62, has top-notch publishing credentials. She wrote a successful biography of Willa Cather. She also co-wrote two books with former New York City Cultural Affairs Commissioner August Heckscher, for whom she worked as deputy commissioner during Mayor John Lindsay's administration. At home the atmosphere is also literary: Her husband, Ray Robinson, is a sportswriter.

When Ms. Robinson tackles a manuscript, however, she says she isn't reading as a professional — although she claims to finish every book, whether she likes it or not. She looks for writing that excites her, that contains a special insight or tells a



The New York Times/Fred R. Conrad
Phyllis Robinson

moving story. "If you feel that way about a book — that it's beautiful — then that's a book we ought to go for." Most of the time, she says, readers' recommendations are followed by club executives who must often bid for books against the Literary Guild or other clubs.

Ms. Robinson said she gets a special thrill helping to present a new writer who has not yet received much attention. Months ago, she read the zany novel, "Walking Across Egypt," by Clyde Edgerton, a little-known southern writer. The club bought the book and has sold 5,000 copies, a respectable showing for a "discovery." There was something about the way Mr. Edgerton portrayed his main character, Mattie Rigsbee, that captured her imagination, Ms. Robinson recalled recently, sitting at her business-like desk.

Then Ms. Robinson thumbed a manuscript lying in front of her — a collection of anecdotes claiming to uncover Mark Twain's outrageous side. "I've read about five books about Mark Twain," she said. "How many can there be?" Another new author, it seemed, was not about to be discovered by the Book-of-the-Month Club.

book club is focusing on increasing its core of long-term members. Mr. Silverman, a writer and former editor of Sport magazine, says the Book-of-the-Month Club wants to keep its identity as the club for serious readers. "We don't think the business needs basic redefinition."

Even he admits, however, that population changes now under way, could shrink the clubs' growth rates, which have been modest. As the baby-boom generation grows out of the middle years that are marked by increased book buying, analysts say sales are likely to dip.

As Doubleday and the Literary Guild turn to hard-sell tactics, the Book-of-the-Month Club is likely to rely on its time-proven techniques. It still touts, for example, its process for selecting the book of the month: A board of respected literary figures sit

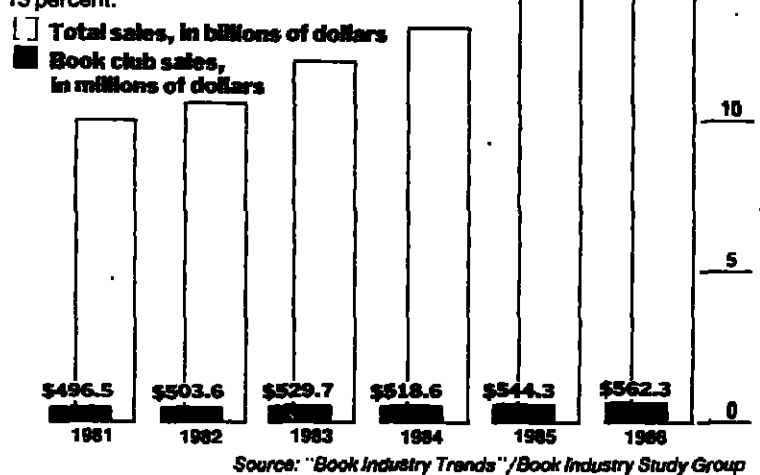
as judges, making decisions free from commercial pressures.

Often, their decisions have been commercially correct. Recently, the writer Wilfrid Sheed, a judge since 1972, persuaded his colleagues to select Robert Hughes's "The Fatal Shore." The others liked the book's literary qualities but thought the subject, the founding of Australia, would bore Americans. Mr. Sheed argued that Australia's time was coming. Australia did catch American imaginations, and "The Fatal Shore" has sold 200,000 copies, making it the club's best book this year.

The concept of independent judges may have been Harry Scherman's best soft-sell idea. The question is whether the soft sell can keep working now that Mr. von Puttkamer and the age of the hard sell have arrived in America's book-club market.

The Sluggish Book Club Market

Total sales of books have increased 58 percent since 1981, while book club sales have grown only 13 percent.



The Economy

WEEK IN BUSINESS

Keeping Southland All in the Family

Southland's decision to sell itself to its founding family keeps it out of the hands of such possible hostile bidders as the Beitzbergs or the Dart Group. Instead, the company that operates 7-Eleven stores will be sold for about \$5.1 billion to a company run by John P. Thompson, the chairman; Jere W. Thompson, the president and chief executive; and Joe C. Thompson Jr., a director. To take the company private, the brothers say they will sell most of its assets, except the convenience stores and its half interest in Cligo. Southland was founded in 1927 as an ice company.



The New York Times/Mark Perlman
John P. Thompson

Producer prices edged up just two-tenths of 1 percent in June, a smaller increase than in previous months.

Food and energy prices rose at a slightly slower pace, although vegetables were much more costly. For the first half of the year, inflation at the producer level has increased at a 4.5 percent rate, and most economists say that rate will be maintained for the rest of the year.

Stocks retreated late in the week from Wednesday's record close on the Dow of 2,463.97. For the week, however, the Dow gained 19.29, closing at 2,455.99.

The fall of ZZZZ Best and its young founder is being called a case of too much, too soon. The company has filed for Chapter 11, and Barry J. Minkow, the 21-year-old head of the carpet-cleaning company, has been accused of misappropriating \$23 million in company profits. He has resigned, but is also facing other investigations. Mr. Minkow began the company in his family's garage, and built it into one of the nation's fastest-growing enterprises. But two years ago, in financial trouble, Mr. Minkow said he borrowed money from a reputed mob figure, who then demanded a share of the profits. The police are investigating whether the company then became a conduit for laundering drug money.

Kohlberg, Kravis is on the prowl. The specialist in leveraged buyouts hopes to build a \$5 billion fund that it can use as equity in buyouts. That is a signal that the leveraged buyout is alive, well and profitable.

The trade bill advanced in the Senate, but its future is unclear. The huge bill now includes a provision that manufacturers give 60 days' notice before closing a plant, and that jeopardizes its future, since it is opposed by big business. But the Senate also restored some discretion to the President on when to grant relief against imports, which helps the bill's chances in the White House.

Businesses are giving less to charity because their attentions and resources are being diverted by the wave of mergers and restructurings. Although individuals have always given the bulk of donations to charity, corporate gifts are more visible.

Banks can offer investment advice and brokerage services to wealthy and institutional clients. Federal Judge Robert H. Bork, the Supreme Court nominee, upheld a Fed rule allowing the dual services. Most banks offer either investment advice or discount brokerage services, and now more are expected to offer both. The catch, though, is that most of the dual service offerings require clients to have a net worth of at least \$1 million.

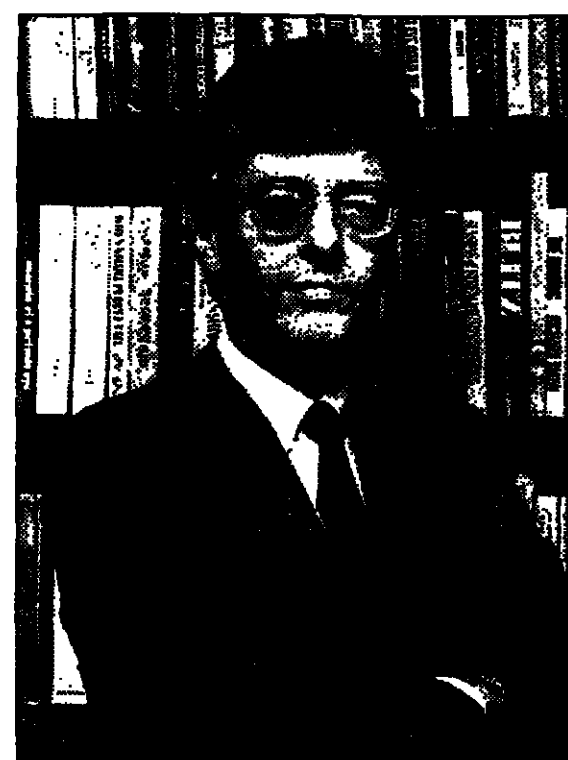
Comsat called off a merger with Contel, but Comsat will sell some operations to the satellite communications consortium. The \$2.4 billion merger became less attractive to Contel, it said, because of Federal rulings that could hurt Comsat.

Pay 'N Pak fought a hostile bid by Paul A. Bilzerian, the Florida financier, with a proposal for a management buyout. The bid was in trouble before that, however, when Morgan Stanley canceled the purchase of 4.1 million Pay 'N Pak shares for Mr. Bilzerian, citing legal questions.

Robert Holmes & Court raised his stake in Texaco to 9.5 percent, but he insists it is for investment purposes only. The acquisition of such a large stake by the Australian financier is expected, however, to put more pressure on Texaco and Pennzoil to reach a settlement in the Getty Oil case.

Profits season begins. CBS's net income fell 14.1 percent, to \$92.1 million. Allegis posted a net of \$73.4 million, nearly quadruple that of a year earlier. G.E.'s net rose 15.9 percent. J.P. Morgan lost \$586.4 million, because of its greater loan loss reserves.

Miscellaneous. Alan Greenspan says he won't participate in Fed decisions involving Morgan Guaranty and J.P. Morgan, where he used to work. The president of U.S. Sprint, Charles M. Skibo, resigned, and the company will report a \$350 million pretax charge against second-quarter earnings to write down outdated equipment. Kilde is considering a sale of assets or a restructuring to ward off hostile suitors.



The New York Times/Viv DeLuzac
Peter von Puttkamer of Doubleday

worldly Berliner who is fluent in six languages, led Bertelsmann's large book-club operation in Portugal.

Mr. von Puttkamer is the Bertelsmann man who must get new profits out of the old literary institution. In the process, he made clear in New York the other day, he intends to reinvent the American book-club business with a new hard-sell approach. "There are some very aggressive competitors," he said. "Unless we respond, they will take the market from us."

The German company spent \$475 million last year for the fading Doubleday empire. Analysts said Bertelsmann was after the book clubs as a foothold in the American market.

For decades, the Literary Guild and Time Inc.'s Book-of-the-Month Club have sparred in a gentlemanly rivalry that seemed removed from the hurly-burly of commerce. Over the years, the two clubs' selections have helped shape American literary tastes. Margaret Mitchell's "Gone With the Wind" was the Book of the Month in June 1936. Isaac Dinesen, Ernest Hemingway and Theodore White books were also Book-of-the-Month Club selections. The Literary Guild spotted Joseph Heller's "Catch-22" and helped introduce books by John Steinbeck and Robert Penn Warren.

The two leading clubs — and more than a hundred smaller competitors — seemed content to tinker little with what was a successful formula. Growth was slow, but in time the book clubs emerged as a \$600 million-a-year business.

Top executives at the long-dominant Book-of-the-Month Club say they



A meeting of the Book-of-the-Month Club editorial board: From left to right: Gloria Norris, John Hutchens, Wilfrid Sheed, Mordecai Richler, Book-of-the-Month Club chairman Al Silverman, David McCullough and Clifton Fadiman.

The New York Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED JULY 10, 1987				
Company	Sales	Last	Net Chng	
AT&T	18,059,700	29 1/4	+ 1/4	
Texaco	15,701,500	45	+ 3/4	
Sou Ind	11,836,700	79	+10 1/4	
Cent En	10,044,200	17 1/4	+ 3/4	
Phil Pet	9,463,500	17 1/4	+ 1	
USX	9,278,400	36 1/4	+ 3/4	
Gillette	9,011,100	47 1/4	+ 3/4	
Gen El	7,632,900	55 1/4	+ 1/4	
IBM	6,803,700	167	+ 2 1/4	
S Fe So P	6,206,900	50 1/4	- 1 1/4	
Tandem	5,930,800	28 1/2	- 3/4	
A Exp	5,795,700	33 1/4	- 1 1/4	
Sayre	5,531,300	31 1/4	+ 3/4	
Kidde	5,345,100	61 1/4	+12 1/4	
Lockhd	5,340,800	55 1/4	+ 4 1/4	
Standard & Poor's				
400 Indust	381.3	354.0	359.8	+4.19
20 Transp	245.0	249.4	252.4	-1.21
40 Util	113.4	111.2	111.8	-1.59
40 Financial	29.6	29.2	29.3	-0.18
500 Stocks	309.5	304.2	308.3	+2.74
Dow Jones				
30 Indust	2476.4	2412.9	2458.8	+19.29
20 Transp	1044.5	1016.0	1025.5	+5.13
15 Util	207.6	203.3	206.3	+0.46
65 Comb	926.3	902.5	918.5	+5.74
The American Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED JULY 10, 1987				
Company	Sales	Last	Net Chng	
BlockE	3,245,300	6 1/4	+ 3/4	
Kidde	2,144,800	22	+12 1/4	
WangB	2,040,700	15 1/4	- 1/4	
Wickes	1,983,200	4 1/4	+ 1/4	
GCdaR	1,742,000	19 1/4	+ 1/4	
TexAir	1,619,200	36 1/4	+ 1/4	
BAT	1,394,100	10 1/4	+ 1/4	
Vicem	1,327,000	24 1/4	+ 1/4	
LoTel	1,254,000	16 1/4	+ 1/4	
WDigit	1,251,500	24 1/4	- 1 1/4	
MARKET DIARY				
Advances	Declines	Total Issues	New Highs	New Lows
1,235	756	2,201	266	53
859	1,019	2,165	141	45
VOLUME (4 P.M. New York Close)				
Total Sales	Last Week	Year To Date		
830,858,510	23,677,647,378			
Same Per. 1986	725,762,905	18,894,289,806		
WEEK'S MARKET AVERAGES				
High	Low	Last	Net Change	
213.6	209.5	212.8	+3.25	
155.7	153.4	155.5	+1.10	
74.9	74.3	74.5	-0.56	
153.3	151.5	152.0	-0.80	
174.0	171.4	173.5	+1.74	
MARKET DIARY				
Advances	Declines	Unchanged	Total Issues	New Highs
481	345	175	1,001	94
377	436	188	91	56
36				48
VOLUME (4 P.M. New York Close)				
Total Sales	Last Week	Year To Date		
64,411,480	1,843,126,400			
Same Per. 1986	58,563,065	1,736,723,859		

Rupert Murdoch, new technology make their marks on London's newspapers

Fleet Street's days are numbered

By MICHAEL WEST

LONDON (AP). — Fleet Street has been associated with printing and publishing ever since Wynkyn de Worde opened a printing office there around 1500. But now its colourful days as the home of Britain's national press are numbered.

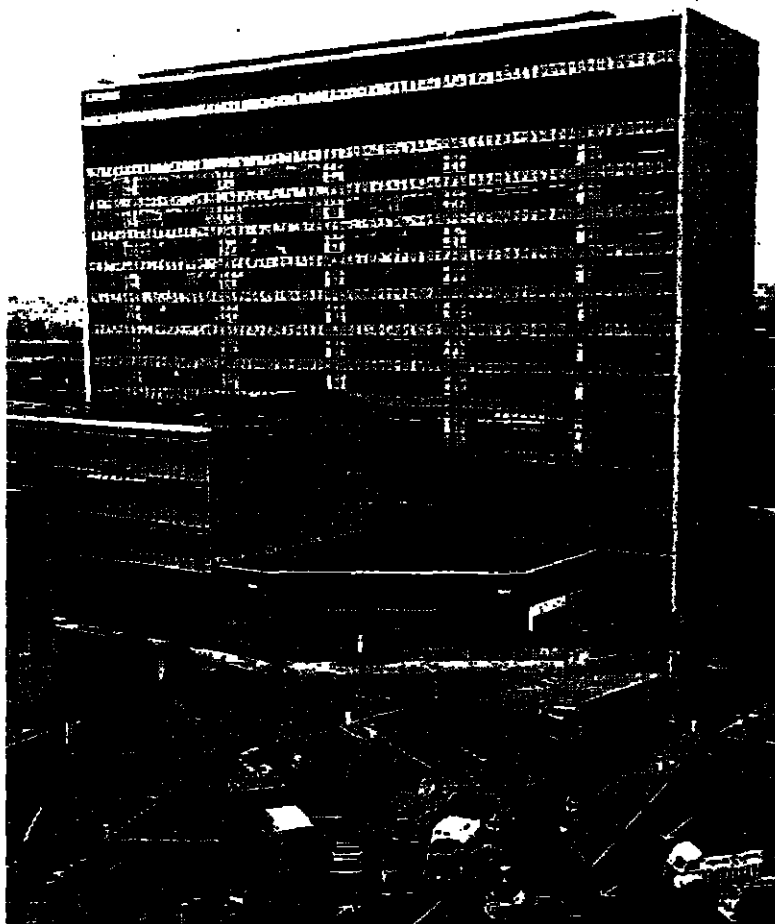
Newspapers are shedding jobs, cutting costs and moving out to new high technology plants in London's East End and other sites. Banks and other institutions from The City, the capital's fast-expanding financial district immediately to the East, are moving in, sending Fleet Street real estate values soaring.

The latest to leave are journalists at *The Daily Telegraph*, who on Saturday moved from their Fleet Street newsroom to offices in the paper's new plant in the Docklands Redevelopment Area eight kilometres to the east. Other *Daily Telegraph* departments will follow later.

The Times of London, its weekly stablemate *The Sunday Times*, and the daily tabloid *The Sun* and *The Weekly News of the World*, all owned by publisher Rupert Murdoch, set up in the East End Docklands Area in January 1986.

The Telegraph journalists put the paper together for the last time in the Fleet Street building Friday, then marked their departure with a cake and ale at the King and Keys Tavern, a favourite Fleet Street watering hole next door.

The Daily Telegraph, which has a daily circulation of 1.15 million, was founded in 1855. It has been produced from premises on its current



Holdout: Robert Maxwell's *Daily Mirror* is the only paper based on Fleet Street these days.

site since 1860. But the imposing *Daily Telegraph* Building on the site, which has been bought by an

American investment bank, Goldman Sachs, dates from 1930. United Newspapers PLC, pub-

lishers of *The Daily Express*, *The Star* and *The Sunday Express*, announced July 2 that it plans to leave Fleet Street and move to a new plant on the south side of the River Thames in about two years' time.

Lord Stevens, the chairman of United Newspapers, said the move would entail the loss of 2,500 jobs. The group fired 2,000 staff last year. *The Express's* celebrated black glass and chrome building in Fleet Street is to be sold with a reported price tag of £75 million.

Of the papers with plants in the immediate Fleet Street area, only Robert Maxwell's *Mirror* Group in Holborn — publishers of the *Daily Mirror*, *The Sunday Mirror* and the *Sunday People* — has not announced plans to move.

After years in the doldrums because of high costs, strikes and refusal by the once powerful Fleet Street print production unions to accept modern, cost-cutting computerized printing methods because of job-loss fears, national newspapers are mostly prospering again.

The result is a fierce circulation war among 13 national morning dailies and 10 national weeklies on sale each Sunday, while Londoners have a choice of three evening papers.

Murdoch broke the Fleet Street log-jam last year when he moved his four daily and Sunday titles to Wapping in East London. He fired 5,500 print production workers when they went on strike against the move and used electricians to produce his papers.

Named after the River Fleet, which now runs below ground, Fleet Street was a main thoroughfare of medieval London.

The first newspaper produced there was the now long defunct *Daily Courant*, which first appeared on March 11, 1702. Before the arrival of the newspapers, Fleet Street had long been a showplace for freaks, giants, fire-eaters and wild animals.

Diary Samuel Pepys was born in Salisbury Court just off Fleet Street in 1633. Samuel Johnson, the 18th-century dictionary-maker, lived and worked in the area and regularly dined at the Mitre Tavern.

A plaque to British reporter and mystery writer Edgar Wallace, who died in 1932, records: "To Fleet Street he gave his heart."

Another Fleet Street plaque, to journalist T.P. O'Connor who died in 1929, recalls: "His pen could lay bare the bones of a book or the soul of a statesman in a few vivid lines."

The *Sunday Times* headlined a report last month on the takeover by big business: "Fleet Street paved with gold, financial conglomerates are paying enormous sums for the premises vacated by newspapers."

The most profitable newspaper deal so far, the Pearson Group, owners of *The Financial Times*, last month sold the paper's Bracken House headquarters in Cannon Street just to the east of Fleet Street for £143 million.

The buyer was the Japanese construction firm Obayashi. It paid the equivalent of £3,500 a square foot, which *The Sunday Times* called "a mouthwatering new price level."

and Row earlier this year. He already has a sizeable stake in the British-based publisher Collins.

Last year he bought his way into one of the world's most profitable papers, the *South China Morning Post*, based in Hongkong. But perhaps the deal which has recently given him most pleasure was the purchase earlier this year after a long and bitter fight of Australia's largest media group, the Herald and Weekly Times. His father Sir Keith Murdoch had the run of the group from 1920 until his death in 1952, though he had never owned it. In the end, Murdoch got the newspapers he wanted though not the Australian TV stations in the group.

What makes Rupert run in the chase for more and more media acquisitions is a question which remains unanswered. His energy is huge and he will somehow or other keep in touch with his editors or TV stations bosses each week. Perhaps where he scores over other modern-day media magnates is that he has a professional team of henchmen (lawyers and accountants) who will back him up and keep him informed of all possible developments.

(London Observer Service)

What makes Rupert run?

By RICHARD BROOKS

LONDON. — A few weeks ago, the leading British stockbroker firm, Kladworth Greaveson, boldly stated that Rupert Murdoch's News Corp. had now become "the most dynamic media enterprise in the world." It must have been quite nice, even for Murdoch, to have had such confirmation. Poor old William Randolph Hearst must be turning in his grave to hear such a statement.

Murdoch's latest acquisition — *Today* — newspaper, which he bought last month for £38 million from Lorrain is just one more example of the quite extraordinary acquisitive nature of the world's leading media magnate. He already owns the two huge circulation tabloids in Britain *The Sun* and *News of the World* plus *The Times* and *Sunday Times* in the quality market, and he has entered the middle-market with *Today*. The purchase means Murdoch's share of the total readership of papers in

Britain goes from 28 per cent to 30.4 per cent.

And yet just 18 months ago, Murdoch was a very worried man. He was then planning the final stage of his Wapping coup — the great leap forward from the fringes of Fleet Street and its high cost structure conditioned by the huge wage packets of the printing unions. It was a gamble which he had to take.

Ironically it was the threat of *Today* newspaper, then two months away from its launch, which was the strongest incentive for Murdoch to cut loose from Fleet Street. *Today's* then proprietor Eddy Shah had the first new technology paper ready to produce, and was warning Fleet Street bosses that he could make a profit on a small circulation, simply

because he was not held back by the unions.

Once Murdoch had cleverly forced his own 6,000-strong work force into a corner, he leaped behind the barbed wire of Wapping and, at a stroke, found that his profits from his newspapers in Britain tripled.

In fact, Murdoch needed that extra cash to fund his interests overseas, notably in America. He had bought the 20th Century Fox Film Corp. (having failed two years ago to get Warner Communications) and was trying also to set up the fourth American network, the Fox Broadcasting Co. to compete with ABC, CBS and NBC. His borrowings were as huge as his ambition.

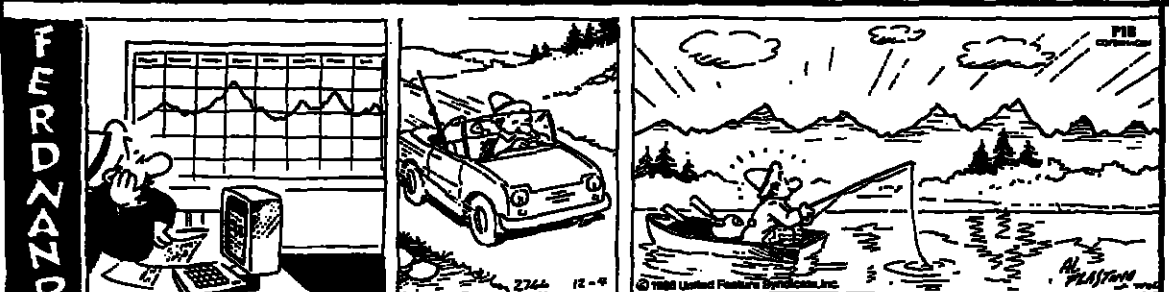
Murdoch already owned several American papers, notably the *New York Post* and the *Chicago Sun-*

Times. But American monopoly regulations lay down that Murdoch must sell those two papers, as he was buying television stations (Metromedia) in those cities. He has yet to relinquish the loss-making *Post*.

Fox Broadcasting has had a mixed start. Its *LA Law*, which it sells to NBC, is a hit, though its *Late Show*, hosted by comedian Joan Rivers, was a flop. *The Late Show* now has different hosts — last month actor Martin Sheen.

Murdoch's television interests also spread to Europe, where he owns the satellite entertainment service, Sky Channel. But even Murdoch, owner of Sky for the past four years, has failed to make any money out of it.

Safest projects are his buying of the leading American publishers Harper



CROSSWORD

ACROSS
1 We, astounding characters around K2 (6,6)
9 Feeling of energy before movement (7)
10 Trudge like a priest doing the rounds (7)
11 Big plane does not start — get the boss (4)
12 Commercial vehicle traffic (5)
13 Ghastly end to fighting at border (4)
16 United State? (7)
17 Account for former spouse with flat (7)
18 Time of graceful deliveries? (7)

21 Mine could be topical (4-5)
23 Copper to live as a solid figure (4)
24 Fish with selfish motive (5)
25 Soon gone (4)
28 Make a celebrity of someone almost silent about No 10 (7)
29 Elected, party forms close faction (2-5)
30 Square cocktail (5-9)

4 Car signal helpful to some newsreaders (7)
5 This dramatist has changed women (7)
6 First signs of easing markets possibly offering reductions in all big stores (7)
7 Air Force degrees could become absolute force (8,5)
8 Watering-place posing a mental problem? (10,3)
14 The opposite of reverse calls (4)
15 Jack the nackerel-catcher (5)
19 Involve doctor in Oriel rag (7)
20 Seek any riotous Northern soldiers? (7)
21 Sculptor who had a hole in one (7)
22 A pound of beef, perhaps (7)
26 Motorway very loud? No, just a little row (4)
27 Countryman's against a trap (4)

Yesterday's Solution

ACROSS: 1. Teuton, 5. Carmes, 10. Include, 11. Issue, 12. Aver, 13. Occur, 17. Whole, 18. Solo, 22. Extra, 23. Similar, 24. Sultry, 25. Asleep, 28. Dumb, 29. Fatigue, 3. Amiss, 6. Under, 9. Merciless, 14. Theatre, 15. Collier, 16. Corrupt, 19. Dense, 20. Still, 21. Amuse.

QUICK SOLUTION

ACROSS: 7. Teuton, 5. Carmes, 10. Include, 11. Issue, 12. Aver, 13. Occur, 17. Whole, 18. Solo, 22. Extra, 23. Similar, 24. Sultry, 25. Asleep, 28. Dumb, 29. Fatigue, 3. Amiss, 6. Under, 9. Merciless, 14. Theatre, 15. Collier, 16. Corrupt, 19. Dense, 20. Still, 21. Amuse.

QUICK CROSSWORD

ACROSS
1 Finger or toe
4 Spanish hero (2,3)
10 Lister
11 Fielding position in cricket
12 Statement of beliefs
13 City in central Netherlands
15 Dumb
17 Colony
19 Air cable
22 Complicated
23 Iris
27 Wanderer
28 Conjecture
30 Note-opening
31 Marsh-bird
32 Inundation

DOWN
2 Vacant, silly
3 Causing annoyance
5 Light beer
6 Unlawful
7 Friar
8 Nozzle, nose
9 Former capital of Japan
14 Aquatic bird
16 Ruler
18 Clothing
19 Navy-captain
21 Residue
23 Due
24 Creature in Scandinavian folklore
26 Herb
28 Sign of the Zodiac

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Clalit, Romema, 523181; Belsam, Salah Eddin, 27215; Shu'afat, Shu'afat Road, 810708; Dar Alawa, Harod's Gate, 282058; Tel Aviv: Habima, 17 Dizengoff, 289465; Kupat Holim Clalit, 7 Amsterdam, 225142; Ra'anana-Kfar Sava: Kupat Holim Clalit, Harshar, Hod Hasharon, Netanya: Kupat Holim Clalit, 31 Brodetsky, 611123; Krayot Haifa: No details available. Haifa: Yevna, 7 Bin Sina, 672268.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah Ein Karem (internal, surgery, orthopedics, E.N.T.), Misgav Ladach (obstetrics, Shaar Zedek (ophthalmology). Tel Aviv: Rokah (pediatrics, internal, surgery). Netanya: Laniado

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Dial 100 in most parts of the country. In Tel Aviv dial 524444, Krayot Shimon 4444.

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In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

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24 — Hours Flight Information Services: Call 03-6712484 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines)

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In emergencies dial 101 in most parts of the country. In addition:

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Ashkelon 23333 Krayot Shimon 24824
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Beer Sheva 78333 Nahariya 823333
Carmiel 969555 Netanya 22333
Dan Region 761111 Petah Tikva 9231111
Eilat 72333 Rehovot 451333
Haifa 512233 Rishon LeZion 94333
Hadera 32233 Safed 530333
Holon 803133 Tel Aviv 5460111
Tiberias 790111

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Rappaport Centre (24 hours), for help call Tel Aviv 224819, Jerusalem — 245554, and Haifa 62011.
The National Poison Control Centre at Rambam Hospital, phone (04) 525205, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 6 p.m. Friday 8 a.m. to 3 p.m.

The West Bank Data Base Project 1987 SERIES

HOW EXPENSIVE ARE WEST BANK SETTLEMENTS?

by Aaron Dether

An analysis of the financing of social services and government subsidies provided to new Jewish settlements in the West Bank and comparison with those in development areas within the "Green Line". Just published NIS 21.00

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MARKET PLACE

JAMES KYNGE

Tough times in Tokyo

Volatile trading is expected to plague Tokyo stock prices this week as the market looks unable to shrug off its three-week long depression. The closely watched 225-share Nikkei Average rose 347.09 points to 24,102.99 at the close of trade Friday, recovering from a two-month low of 23,472.42 on Wednesday.

"The market has touched bottom, but I don't know if prices will continue to rise," says a broker at Yamaichi Securities. Market capitalization is 10 per cent down from its high on June 17, when the index stood at a record 25,929.42.

Factors which have depressed the market, such as higher oil prices, the dollar's rise against the yen and diminished hopes for a cut in Japan's discount rate, still apply.

"As long as the dollar stays high against the yen, the stock market will be very weak," says Hidehiro Iwaki, of Nomura Research Institute. Enormous amounts of money have deserted Tokyo stocks for dollar-based investments, and will continue to leave with the dollar at current levels, Iwaki adds.

The market also has not adjusted enough to accommodate the changed outlook on interest rates. Expectations of rate cuts were a major force behind the market's rise this year. Securities houses and bank shares, and other issues related to the expansion of Japan's economy, were bought most heavily on rate cut hopes, brokers say.

"We should see more selling of financial stocks [this] week... and I am still suspicious of shares on the domestic demand front," says Stephen Cordington, head of equities trade at Jardine Fleming Securities Co's Tokyo branch.

He says the market has found no group of stocks to drag it out of the doldrums. "There is no evidence of a recovery yet in the manufacturing sector of the economy," he says, adding that a few of these stocks look like good buys.

Foreign investors have been net sellers of Japanese stocks for the past four months.

"People will buy as soon as prices look cheap and dump their shares in the next couple of days when they rise a little," says a broker at Sanyo Securities Co. Brokers say this short-term speculative dealing will persist until enough traders see stocks rallying.

U.S. May trade data due out on July 15 are expected to show that the U.S. deficit has narrowed, brokers say. This will be likely to support the dollar on its upward path, thus diverting more money from Tokyo shares, they say.

Japan's customs cleared trade surplus for June narrowed to about \$6.60b. from \$7.36b. a year earlier, the Finance Ministry said Friday. This is also likely to support the dollar, brokers say.

But the ever-present mountain of available money, in a country which saves about 15 per cent of its income, could surge back into Tokyo stocks if the market gloom subsides and investors find a direction, brokers add.

(Reuters)

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Chamber of Commerce chief

Foreign companies deserve tax break

By KEN SCHACHTER

TEL AVIV. - Israel should lure multinational companies with a 10-year tax exemption, Danny Gillerman, president of the Federation of Israeli Chambers of Commerce, said yesterday.

By neglecting to woo foreign-based companies, Gillerman said, Israel was missing out on a potentially rich source of jobs and exports. In Singapore, he told a press conference, foreign-based companies account for 51 per cent of the exports; in Ireland, 34 per cent; in Scotland, 19 per cent; and in Puerto Rico, a staggering 73 per cent. He contrasted these figures with Israel's 1 per cent of exports from multinationals.

Currently, foreign companies receive tax incentives only if they agree to export 60 per cent of their Israeli output and locate their operations in a specially designated development area.

Gillerman rejected that philosophy, arguing that the economy should be thrown open to foreign investment, whether it be from the currently favoured industrial companies or international trading companies.

Gillerman contrasted Belgium, which grants lavish tax exemptions on foreign companies and exports \$7,000 per capita annually, with Israel's per capita export figure of \$1,500.

He acknowledged that Israel has made some recent strides in liberalizing the economy by eliminating tax differentials between industry

and other business enterprises and by opening up the capital market. Even so, he said, "we still have a long way to go to become a free-market society." Unless reforms are implemented, he warned, Israel would neither be able to staunch the emigration of some of its brightest young people, who will leave in

search of economic opportunity, nor will it be able to accommodate a major influx of immigrants.

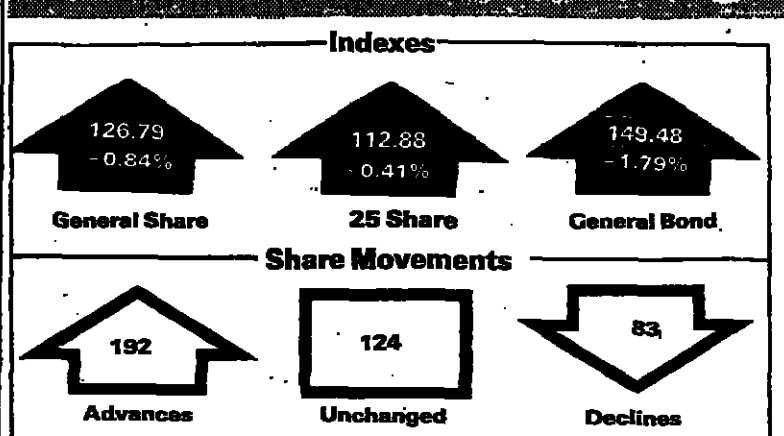
Gillerman said a tax-incentive programme to court foreign companies would require Knesset approval, but the primary roles in pressing for such a plan would be played by the ministers of finance,

trade and industry and the prime minister.

He said he didn't expect such a measure to become a partisan issue or even arouse jealousy among domestic companies.

If the companies provided employment and expanded the economy, he said, everyone would benefit.

Tel Aviv Stock Exchange



Selected Prices

Name	Price	Vol.	% change
Commercial Banks			
Bank Leumi	21100	2	-
Bank Hapoalim	1890	1197	-
Bank Mizrahi	20455	232	-
Bank Leumi	8936	2949	-
Insurance			
Avnir 0.1	1210	280	-3.2
Phoenix 0.1	780	2615	-
Herzliya 1.0	8200	200	-
Menorah 1	2500	125	+2.1
Sahar	390	4458	-
Scotiabank	1216	307	-
Zion Hold. 1	8020	5	+2.2
Trade & Services			
Interbank 1.0	7500	93	-2.0
Meli Ezra	1003	3758	-
Crysal	781	1754	-3.7
Lighting 0.1	710	1374	-
Cold Storage 1.0	1250	746	-
Dan Hotels 1.0	1895	88	+2.1
Coral Beach	6900	152	+2.2
Yarden Hotel	2730	65	-
Hilton 1.0	4480	476	-2.6
M.L.L. 1.0	14100	8	+2.8
Tauem 1.0	758	3033	-1.6
Real Estate, Building and Agriculture			
Al-Rov	1705	1788	-
Africa Int. 0.1	5000	40	-
Africa Int. 1.0	42100	224	-
Aradan	2720	919	-0.5
Danbar	680	1178	-
J.E.C.	4800	534	-
Bay Side 0.1	17900	50	-3.5
Asotin Prop.	310	4478	-
Mahadim Prop.	6510	727	+1.1
Hadramim Prop.	1855	536	-0.6
Industrials			
Dubai	5750	46	-
Tempo 1.0	36963	52	-1.1
Investment Companies			
Israel Corp. 1.0	4380	5107	+1.2
Wolfson 1.0	123000	-	+1.7
Hapoalim Inv.	525	3281	-
Mizrahi Inv.	34100	61	-0.6
Yasum	234	6021	-3.3
Parma 0.1	7280	27	-
Pryon	14000	608	+4.8
Oil Exploration			
Paz Oil Expl.	34243	70	-
J.O.E.L.	780	27844	-

Crystal	791	1754	-3.7				
Lighting 0.1	711	1374	-				
Gold Stock 1.0	1250	746	-				
Dani Hachai 1.0	1855	69	+2.1				
Cori Boos 1.0	6900	182	+2.2				
Garden Hotel	2790	485	-				
Hilton 1.0	4480	476	-2.6				
M.L.L. 1.0	14100	8	-				
Team 1.0	758	3033	-1.8				
Real Estate, Building and Agriculture							
Al-Riv	1705	1138	-				
Africa Int. 0.1	50000	40	-				
Energy Int. 1.0	42100	224	-				
Aridcan	2770	919	-0.5				
Dankner	8520	70	-				
E.C.	11705	24	-				
Bayside 0.1	4000	534	-				
Iares	17900	50	-3.5				
Asotin Prop.	510	4678	-				
Mehadrin	6510	727	+1.1				
Mehadrin Prop.	1985	536	-0.6				
Industrials							
Dubek B	5790	46	-				
Tempo 1.0	36953	52	-1.1				

25 Shares

</

Abbreviations: a.s. = seller only; b.o. = buyer only; r = registered

Statistics

General Share (incl. argmt.)	137.21	+1.10%
Non-argmt.	175.36	+1.31%
Arrangement Banks	120.09	+0.64%
Mortgage Banks	147.81	+0.20%
Financial Inst.	118.37	+0.28%
Insurance	104.73	+0.42%
Commerce & Services	130.77	+1.24%
Real Estate & Agric.	151.72	+0.70%
Industrials	137.16	+1.01%
Food & Tobacco	128.23	+1.13%
Textiles	126.92	+1.22%
Metals	128.48	+0.37%
Chemicals	146.34	+1.18%
Electronics	130.23	+0.53%
Oil Exploration	155.05	+0.88%
Investment Cos.	158.26	+2.00%
Oil Exploration	160.82	+0.11%

Bond Indices

Index-linked Bonds	112.07	+0.38%
Fully linked	113.45	+0.36%
Partially linked	109.82	-0.46%
Foreign Currency	117.57	+0.52%
FC denominated	111.89	-0.09%
FC linked	120.55	+0.77%
Short-term 0-2 yrs	110.44	+0.52%
Short-medium 2-5 yrs	112.47	+0.36%
Medium-long 5-7 yrs	115.12	+0.32%
Long-term 7+ yrs	115.27	+0.42%

Turnovers

Total Shares	NIS 18,195,500
Non-arrangement	NIS 1,953,500
Arrangement	NIS 6,442,700
Bonds	NIS 6,376,700
Treasury Bills	NIS 16,390,400

Share Movements

Advances	192	(283)
Declines	83	(25)
Unchanged	124	(1)
Trading Halt	35	(36)

Bond Market Trends

Index-linked:	
3% fully linked	*lightly mixed
4.25% fully linked	Mixed to 1%
80% linked	Generally rises to 1%
Double linked:	Generally stable
Admon	No trading
Rimor	Mixed betw. 1-2%
Gilboa	Rises to 1%

Arrangement Yields

IOB ord.	11.61%
Union 0.1	11.67%
Discount A	11.77%
Mizrahi R.	11.82%
General A	11.97%
Leumi Stock	11.97%
Fin. Trade 1	11.23%

25 Shares

Afternoon			
% Change	Price	Volume MS	% Change
+2.25	7400	2068	+2.8
+2.00	315	9793	
+1.50	408	6552	+1.0
+1.50	13150	236	+2.3
+1.50	9117	344	+1.5
+2.25	2732	1530	+2.2
+1.75	1114	3883	+1.7
+2.25	3221	878	+2.3
+2.50	69700	85	+2.5
+2.00	695	8558	+2.0
+2.25	18088	182	+2.2
+1.00	1098	208	+1.0
+0.25	502734	2	+0.3
+0.75	359558	5	+0.8
+2.25	15020	482	+2.3
+0.25	2747	2011	+0.3
+2.75	695	11370	+2.8
+2.50	389817	18	+2.5
+1.50	11730	153	+1.6
+1.75	252	4478	+1.8
+1.75	8643	341	+1.8
+2.25	5870	574	+0.5
+2.00	2580	4488	+2.8
+3.75	1233	7343	+3.8
	3198	880	+1.7

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 MOSHAV SHITUF

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 — Individual settlement information booths manned by local settlers.
 — Industrial exhibition of items manufactured in the Gush.
 — Guided tours from the community center to various settlements.

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The campaign is organized by: The Regional Council of Gush Etzion World Zionist Organisation Rural Settlement Department

Lufthansa to fly to Eilat

TEL AVIV. - Lufthansa is planning weekend flights from West Germany to Eilat this winter. Karl Ambrosius, the airline's outgoing manager for Europe, said yesterday. He said the flights would be part of Lufthansa's scheduled service rather than charter-operated.

Ambrosius, who noted that Lufthansa traffic to Israel during the last four months increased by more than 15 per cent, was speaking at a press conference in which he introduced Lufthansa's new Israel representative, Dieter Gerber, who recently served in Portugal.

Israel More

Shekel Deposits (annual rates)

Savings Deposits (annual rates)	
Bank	Deposit
Last Updated	\$250
Leumi (July 3)	\$0-\$99
	1,000-\$999
	10,000-\$9,999
	50,000+
Hapoalim (June 18)	Up to \$99
	1,000-\$999
	10,000-\$9,999
	50,000+
Mizrahi (July 2)	\$0-\$99
	1,000-\$999
	10,000-\$9,999
	\$8,001-\$9,999
First Intl (July 2)	\$0-\$99
	1,000-\$999
	5,000-\$999
	10,000-\$9,999
	50,000+

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Now it's Nissim's turn

A STRIKE is hardly the ideal method for settling a labour dispute, especially in the public sector. At best it should only be seized upon as a measure of last resort, when the employer has declined to negotiate workers' demands in earnest with union representatives. Yesterday's countrywide "warning strike" in the public sector was justified by the Histadrut on the ground that that Treasury had done just that: refused to truly negotiate.

Since both sides in this dispute are keeping their cards very close to their respective chests and will not, as they put it, negotiate through the media, it is a trifle difficult to tell precisely how valid is the labour federation's complaint. But there is little doubt that it is not made of whole cloth.

Finance Minister Moshe Nissim's defence is that he must hold the wage front, and that if he yields in the public sector not only will the budget have to be expanded but a general wage rise will be triggered. This in turn will rekindle inflation, dashing all hope of achieving true economic stabilization, and going on to growth.

In the Treasury's version, the Histadrut's demands, such as they are, are particularly threatening because there has been a rise in public sector real wages over the past year. The Treasury also insists that it has already offered concessions on wage increases for the low-paid sectors in public employ and on adjusting pensions.

The Histadrut's secretary general, Yisrael Kessar, acknowledges that such concessions have indeed been offered, but does not concede that they are nearly enough to call off the threat of a protracted, and highly injurious strike. Last week the Central Bureau of Statistics came to his aid by unveiling figures showing that public sector employees are currently the lowest group on the scale of remuneration.

Their gross real earnings have yet to regain the level they reached in 1982.

This is arguably as it should be, if - as the standard preachment goes - a shift of personnel from office desk to factory floor is to be encouraged, and the size of Israel's bloated public - and especially governmental - sector is to be reduced. Real-life experience, however, has amply demonstrated that low wages for the most part drive out only the better qualified and more efficient employees.

Mr. Kessar, himself aware of the budgetary problem posed by an oversized public sector, has suggested that at least half the annual number of normal retirees - the attrition rate in this sector is about 5 to 6 per cent - should simply not be replaced. Blame for the fact that the number not only is regularly replaced, but the size of the public work force is regularly increased with scant regard to quality of performance, surely does not lie at the Histadrut's doorstep.

The responsibility is the Treasury's own, for not bucking political pressures for staffing government departments with party cronies and dependants.

Yesterday's strike was derided by the Treasury as ceremonial muscle-flexing by the Histadrut leaders, and largely for the benefit of the membership. That may very well have been so. But it is preferable, in terms of the national interest, that the Histadrut rank-and-file be persuaded that their leaders are acting to satisfy their just minimal demands - rather than they should lose trust and resort to separatist, let alone wildcat, action.

Mr. Nissim's bid yesterday to Mr. Kessar and his colleagues to return to the negotiating table must, of course, be accepted. But it is not sitting at the table together that will ensure a negotiated settlement.

SOURCES

(Continued from Page One)

According to the Foreign Ministry sources, the Soviets recently signalled Jerusalem - presumably at the Polyakov-Murphy meetings - that they are interested in resuming the direct dialogue with Israel. The last direct Israeli-Soviet discussion was in Rome last April, between Peres and two Soviet officials at a meeting of the Socialist International.

These sources said that the Soviet insistence on PLO participation in the conference and on an Israeli undertaking to withdraw to the 1967 frontiers were "old hat." Only after the Shultz-Shevardnadze talks would the Soviet position be clear, the sources said.

At yesterday's cabinet meeting, Peres said that Polyakov had barely referred to the problem of Jewish emigration from the Soviet Union, though he had in principle posed the re-establishment of Soviet-Israeli ties. But these ties should be developed gradually and linked to progress in the peace process. The Soviets had hinted at a linkage between progress on the conference

issue and a change in migration policy.

Minister without Portfolio Yitzhak Moda'i asked Peres why he had asked the cabinet for permission to attend the UN Conference on Trade and Development, when in fact he had flown to Geneva to meet with Egyptian President Hosni Mubarak.

Peres replied that when Minister without Portfolio Moshe Arens flew to Washington two months ago, he did not say he was going to meet Shultz.

Peres said of his meeting last Thursday with Mubarak that the Egyptian president expressed an interest in increasing cooperation with Israel in the fields of agriculture and solar energy. Mubarak doesn't think the Syrians want to negotiate with Israel and said he was worried by the growth of the Iran-backed Hizbullah in Lebanon, Peres said.

Foreign Ministry Director-General Avraham Tamir was due to fly to Egypt last night for a 24-hour visit to help arrange a visit by Egyptian Foreign Minister Esmat Abdel Meguid to Israel in about a fortnight.

DEKEL

(Continued from Page One)

that the police are politically biased. "We reject these attempts to attribute political motives to the force and its officers," he said. "I want to emphasize that we are non-political and non-partisan in both our public and secret operations. We do not work for any political party."

This was the first reaction by Kraus to allegations levelled mainly

by Likud MKs who have been infuriated by the land deals inquiry and the unjustified allegations of dishonesty made against the son of Housing Minister David Levy.

Likud figures have accused Police Minister Haim Bar-Lev of using the force as a political weapon on behalf of the Alignment, a charge he strongly rejects.

A different sort of tyrant

David Makovsky

LAST MONTH, at the critical Soviet Central Committee meeting that saw sweeping resolutions to overhaul and decentralize the backward economy of the USSR, Communist Party leader Mikhail Gorbachev went out of his way to publicly condemn - of all people - Western Kremlinologists.

Gorbachev wants the West to appreciate the scope of his reform efforts, and apparently finds that many Sovietologists are less sanguine about their nature and their prospects of success.

One such Sovietologist, who is ubiquitous on U.S. television screens and a frequent guest columnist in America's most influential newspapers, is a former citizen of the USSR and a Jew.

His name is Dmitri Simes, and his rise to influence has been meteoric since he arrived in the U.S. in 1973. He has lectured at the prestigious Johns Hopkins University School of Advanced International Studies, and is currently a consultant and frequent commentator for CBS News, a syndicated columnist, and an associate at a top Washington think-tank, the Carnegie Endowment for International Peace.

In a wide-ranging two-hour interview, Dr. Simes discussed the outlook for change under Gorbachev, his views on the Soviets joining a proposed international Mideast peace conference, and the possibilities of emigration for Soviet Jews on the eve of a likely superpower summit this year.

Simes's view of Gorbachev is somewhat mixed, yet at certain points he seemed to share his disdain for the conventional wisdom of American Sovietologists.

On Soviet economics, which Gorbachev is attempting to change at risk of his position, Simes is more optimistic than his chorus of colleagues, who feel economic change is virtually impossible.

"I am more bullish on the consumer situation," he said. "Gorbachev wants the people to work harder, yet the citizens have heard this call from all their leaders, so he has to provide instant gratification to the Soviet people."

"Right now, all he has on his side is the intelligentsia, and that is clearly not enough. I think within 12-24 months, Gorbachev will be able to show successes in the area of some services, like providing fresh produce in government stores, fixing apartments, eliminating a few long consumer lines."

"By calling for immediate limited private enterprise and giving urban dwellers plots of land, he is doing things that were first done successfully in Hungary and China, when they began making reforms. For the

first time for a Soviet leader, Gorbachev is creating genuine excitement in the country."

SIMES IS DUBIOUS about the prospects of wider economic changes outlined at the recent Central Committee meeting slashing subsidies and eviscerating the all-powerful central planning body, Gosplan. Yet he disputes the view that Gorbachev could be ousted as a result of conflict with the entrenched bureaucracy.

In words that might describe Ronald Reagan after his landslide victory in 1980, Simes said, "Gorbachev is flying high. He has a mandate for change."

He added forcefully, "The elite won't oust him, like some in the U.S. predict. They know that during the tenure of their last three leaders, Brezhnev, Andropov and Chernenko, the country was heading downwards."

He criticized American Sovietologists who predict that, since repairing the economy will be too formidable, Gorbachev will either be banished, or will accept the resistance and inertia and become a latter-day Brezhnev. He thinks these alternatives are too stark and pessimistic.

Simes was bold himself as he predicted confidently: "Short of a crisis of the magnitude of abolishing the KGB, declaring war on the U.S. or allowing a second party to compete with the Communist Party, Gorbachev is in control."

Simes says he did not buy in the past, and certainly not now, the argument that Gorbachev is beset by internal opposition. Gorbachev was senior to almost all the members of the Politburo even before assuming the leadership as general secretary, a post Simes described as "not first among equals as thought in the West, but feared as the pope of Communism."

It is in defining the parameters of *glasnost* "openness" that one begins to see Gorbachev's "shrewd political instincts" and therefore his superiority to a predecessor with whom he is always compared, Nikita Khrushchev.

THE ONE AGENCY Gorbachev did not criticize in his recent speech at the Central Committee meeting, said Simes, was the KGB.

"Gorbachev gave the KGB a ringing endorsement. By this, he showed the sceptics that he is not a reformer like Alexander Dubcek of Czechoslovakia. 'Dubcek engineered democratic reforms in the famous Prague Spring of 1968, before Soviet

tanks rolled in, crushed the reforms, and ousted him.)

Simes believes that the Soviet people realize that Gorbachev does not wish to weaken his own control of the system. The result is that they take him more seriously and will seek to please him.

Yes, Gorbachev is genuine about *glasnost*. He wants a more civilized, attractive society, with a modicum of reforms. Under *glasnost*, he can use the media to conduct bureaucratic purges in a humane way. By contrast, Stalin had people killed.

In sombre tones Simes warned: "Remember, however, *glasnost* can be genuine and still be a political tool in making the system more effective. *Glasnost* does not mean freedom of the press. In a recent interview with an Italian press agency, Gorbachev denied that he was moving in the direction of Western-style democracy."

"To my mind, Gorbachev is an 'enlightened tyrant.' Tyranny means a monopoly of power, and Gorbachev does not plan to allow a democratic opposition, which exists even in such countries as Chile and South Korea. He is clearly not a petty tyrant. He wants to allow all non-essential forms of expression."

Simes thinks there is nothing the West can do to encourage Soviet reforms, saying dryly, "We do not have enough information about the internal workings nor do we possess the leverage."

Simes, who has adapted many American mannerisms and style of humour, did offer a suggestion about arms control. He said the U.S. negotiating strategy on eliminating nuclear weapons in Europe was based on the idea that the Soviets would not unilaterally cede their overwhelming lead and accept the zero option. "Gorbachev is one tough customer and knows how to exploit Western proposals," he said. Gorbachev saw that acceptance of this plan would leave Russia with predominant conventional troop strength.

ON THE ISSUE of a Mideast peace conference, Simes became quite animated. He said it is clear that the Soviets want to play a more active role in the region, examples being a heightened role in the Gulf, healing rifts in the PLO, and generous rescheduling of Syrian and Egyptian debts. But he was emphatically opposed to allowing the Soviets into an international peace conference.

"What Peres is advocating amounts to a 'diplomatic Lebanon.' It is an adventure like the Lebanese War was, entering something when you don't know the risks. I am not a Likud supporter, but Shamir is right on this one."

He forecast that would happen if such a conference were to be convened.

"Unless Israel comes willing to give up very considerable parts of the West Bank and renegotiate parts of Jerusalem, which I doubt, it will be bad. The U.S. won't join the Soviets as a co-executioner and pressure Israel on such sensitive matters for many reasons, one being domestic [U.S.] Jewish pressure."

Dry Bones' LETTER FROM AMERICA



"So you are in the middle of a conference, and it will be painful for moderate Arab states such as Egypt and Jordan. You have exposed Hussein to be vulnerable, and not enough to make him successful. Other moderate Arab states will be able to capitalize on that frustration and pick up the pieces. Israel will lose Arab friends and European ones, who will have higher expectations of Israel flexibility."

Would the Soviets accept a limited role in such a conference?

"They will not allow a separate deal between Israel and Jordan. In his recent trip to Moscow, Gorbachev got Assad to accept the concept of a major international Middle East peace conference. Yet Assad said himself that he is adamantly opposed to the peace conference becoming an umbrella for implementation of piecemeal and separate solutions."

IT IS BECAUSE of Soviet concern for its prickly ally, Syria, that Simes is cautious about the prospects of the Soviet renewing diplomatic relations with Israel or the mass exodus of Soviet Jews.

"The consensus among the Soviets and their satellite states is that breaking relations with Israel was a mistake, and renewing such relations is a good idea. Yet they cannot alienate their Arab friends. The Soviets can only re-establish such relations in the context of a territorial settlement. 'Israel has to talk to the Soviets, but I am disappointed that they agreed to a Soviet consular delegation coming to Israel without a reciprocal Israeli delegation being permitted to go to Moscow. Israel looks too much like a supplicant.'"

Simes had some views about Syria's concern for the exodus of Soviet Jews, who fear they could be potential Israeli soldiers on the Golan Heights. He himself has been to Syria several times and met with senior officials.

"The Syrians told me recently in Washington that when they heard rumours that Gorbachev might increase Soviet Jewish emigration they were nervous, and would convey their fears to the Soviets."

Simes said the Syrians' leverage with the Soviets is considerable be-

cause they are "not puppets," and Assad could punish their principal patron by taking a few steps closer to the U.S. The Soviets learned when Egypt expelled the USSR in the early '70s that the Arabs can punish them," he commented.

The Kremlinologist did not want to preclude the possibility of the Soviets overturning the Syrians and permitting a mass exodus, but, he said, "for this they will need a big payoff from the U.S. But it must be major. An arms accord on eliminating nuclear arms to Europe, as now discussed, I don't think is enough. Star Wars, Western transfer of barbed technology, a Mideast conference, or Israeli territorial concessions that they can tell the Arabs that they obtained, would be the right magnitude."

Simes said he would oppose granting the Soviets preferential trade status, as denied by the Jackson-Vanik Amendment, until the modest upswing in emigration has stabilized at higher rates for a period between one to three years.

He refused to name a number of exits that would be satisfactory, saying other indicators should also be considered. For example, he would want to know if old refuseniks are being let out and how new applicants for exit visas are being treated. "I think people being refused now are not having their bridges burned regarding their jobs, unlike the '70s, but let us wait and see."

Simes, who is not often noted for speaking out on Soviet Jewry, talked of his involvement and concern for the issue. He was an advisory board member of the active Union of Councils for Soviet Jews in the '70s, and said his wife was at that time one of its lobbyists.

He urged other Jews to lobby this administration before a summit.

"At a summit, the Soviets don't want just an arms accord with the U.S. They value an accord for the broader political goals of improving relations with the U.S. They want this accord to improve their image, to create new peace momentum in the U.S. and they want an arms agreement to spill over to other areas, of military competition between the two countries."

The writer is a Jerusalem Post correspondent in Washington.

READERS' LETTERS

ARABS AND JEWS IN ISRAEL

To the Editor of The Jerusalem Post Sir, - As a cultural foundation serving the interests of our Israel Arab community, we heartily applaud the concluding remarks of your editorial of June 25 about the day of equality strike in the Arab sector, namely that "peace itself will not bring full equality for all the citizens of this country unless the Jewish majority come overwhelmingly to feel that the stretch arising from open sewers in Arab towns and villages is Israel's national shame."

However, we are surprised at the nature of your coverage of the vicious attacks on Arab Israeli students in Ramat Amud, reported in the same issue. We feel that to end your article with a blatantly racist quotation from a Jewish resident ("He said that Arab workers had disrupted the life-style of the neighborhood, which has a considerable religious population. They try to mingle with the women and do other things which aren't appropriate") without any further remark is an unfortunate omission for a publication which supports the cause of Arab-Jewish equality so admirably in its editorial commentary.

We would have preferred it had your reporter asked his interviewee to provide a reason why male Arab citizens should not mix with female Jewish citizens, and to provide further details about just what the disruption of the life-style of the neighborhood was.

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bourhood and the inappropriate Arab conduct consisted of. Moreover, we would have thought it was standard practice in reporting such an incident to interview the victims of the attack rather than its perpetrators or their sympathizers.

HUSSEIN ABU HUSSEIN,
for Al Hadaf Cultural Association
Umm El-Fahm.



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